

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)  
**TARIFF AUTHORITY FOR MAJOR PORTS**

**G.No.233**

**New Delhi,**

**11 June 2021**

**NOTIFICATION**

In exercise of the powers conferred under Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Chennai Port Trust (CHPT) for fixation of charges for handling containers at Empty Container Parking Yard inside the Port, as in the Order appended hereto.

**(T.S. Balasubramanian)**  
Member (Finance)

**Tariff Authority for Major Ports**  
**Case No. TAMP/10/2021-CHPT**

**The Chennai Port Trust**

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**Applicant**

**QUORUM**

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Sunil Kumar Singh, Member (Economic)

**ORDER**

(Passed on this 13<sup>th</sup> day of May, 2021)

This case relates to a proposal received from Chennai Port Trust (CHPT) for fixation of charges for handling containers at Empty Container Parking Yard inside the Port.

2. Based on the proposal filed by CHPT, this Authority vide its Order No. TAMP/30/2019-CHPT dated 10 October 2019 had approved General Revision of Scale of Rates of CHPT. The revised Scale of Rates along with Performance Standards approved by this Authority was notified vide Gazette No. 376 dated 30 October 2019. Subsequently speaking Order on the subject proposal was notified on 4 December 2019 vide Gazette No.447.

3.1. Now, the CHPT vide its letter dated 16 January 2021 has proposed charges for handling containers at Empty Container Parking Yard inside CHPT. The main submissions made by CHPT in its proposal are given below:

- (i). At CHPT, Containers are being handled by the two licensed private terminal operators viz. Chennai Container Terminal Private limited (CCTPL) & Chennai International Terminals Private Limited (CITPL). During the meetings held with the terminal operators, and shipping lines to brain storm on measures to improve cargo / container traffic through Chennai Port, one of the suggestions was to provide empty container yard inside the Port area, in order to avoid delay in bringing the containers from outside the Port and connect to their vessels in time.
- (ii). A proposal was submitted to the Board to operate Empty Container Yard (ECY) inside Chennai Port. The Board vide B.R.No.128 dated 29.03.2019 has resolved to approve the following:
  - (a). Start an Empty Container Yard by appointing a yard operator through a Special Limited Tender,
  - (b). Collect charges from customers based on preliminary calculations to cover port expenses and the operator's charges provisionally pending approval of TAMP, and
  - (c). Send a proposal to TAMP for notification of the rates.
- (iii). Accordingly, a Special Limited Tender (SLT) was floated for appointing a contractor with the following scope of work:
  - Operation of empty container yard at South of Gate No.10 near Basic training Centre Godown in an area of about 4,000 sq.m inside Chennai Port Trust.
  - Lift-On, Lift-Off, Transportation and Survey of empty containers and
  - Repairing of empty containers
- (iv). After tendering process, a work order dated 31.01.2020, was issued to the successful bidder, M/s.Sanmuga Transport Pvt. Ltd. for operating ECY initially for a period of 6 months from the date of commencement of services and subject to extension for a

further period of 6 months at the quoted rate of ₹.612/- per TEU. Subsequently, the contract was extended upto 19.02.2021, vide order dated 7.8.2020.

- (v). (a). As per clause 5.7.1 of the TAMP Working Guidelines 2018, whenever a specific tariff for a service / cargo is not available in the SOR, of that particular Port, the concerned Major Port Trust can approach TAMP for notification of tariff for the said new cargo / equipment / service adopting the tariff and performance standards, if any fixed for comparable cargo equipment / service in any other Major Port Trust.
- (b). If there is no rate available in any other Major Port Trust or if the rate available is not representative enough of the proposed new cargo / service / facility, then the port may file the proposal for notification of tariff for the said new cargo / equipment / service with reference to optimal capacity assessed following the principles of 2008 guidelines or based on rated capacity or technical specification of service / facility / equipment. If determination of tariff based on the above prescribed options is not possible then the Major Port Trusts after giving sufficient reasons may propose rates based on Cost plus 16% return formula.
- (c). In this connection, it is stated that since Empty Container Yard is a standalone facility, the norms fixed in Upfront Tariff Guidelines 2008 in respect of Terminals for assessing optimal capacity, operating cost etc. are not found relevant. Hence, as approved by the Board, the charges to be collected by CHPT from the users for handling empty container at ECY were arrived based on the charges payable to the contractor and to cover port expenses. At the initial stage, it is expected that around 2500 TEUs per month can be handled in the land area of 4000 sq.m. Therefore, the handling charge has been calculated considering a volume of 2500 TEUs per month which works out to ₹.837.76 per TEU.
- (vi). The working showing calculation of charges for handling Empty Containers at ECY as given by CHPT is as follows:

Sl. No.	Description	Expenses for handling 2500 containers in a month (₹.)	Expenses for handling one TEU (₹.)
<b>A.</b>	<b>Port Expenses :</b>		
1.	Land Lease charges for Open Space Paved of 4000 sq.m. as per SOR (₹.13385 per 100 sq.m.)	535400	214.16
2.	Night Weightage Allowance (Basic Pay – ₹.79000/- + DA ₹.11850/- 180 *31)	15655	6.26
3.	Holiday Wages (Basic Pay – ₹.79000/- + DA ₹.11850/- + HRA ₹.23,700) Holiday wage per day – ₹.3,819/- Holiday wage for 3 shifts = ₹.11,457/-- No. of Holidays from 01.01.2020 to 30.06.2020 – 7 days Total holiday wages for 7 days = ₹.80,199/- Holiday wags per month = ₹.13,366/-	13365	5.34
	<b>Total Port Expenses</b>		<b>225.76</b>
<b>B</b>	<b>Charges payable to the Contractor</b>		<b>612.00</b>

	<b>Total charges to be collected from the user per TEU (A+B)</b>		<b>837.76</b>
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<b>Calculations for No. of containers to be handled at ECY</b>	
Area occupied by one container (6.09 m x 2.44 m)	14.86 sq. m.
No. of containers that can be stored in 4000 sq.m.	269 TEUs
No. of containers that can be stored, after considering space for movement of cranes, vehicles.	160 TEUs
Average Dwell time	6 days
Turnaround time in a month	5
Stock height	3
Containers that can be handled in one month	<b>2500 TEUs</b>

- (vii). Further, a free period of 30 days and storage charges of ₹.50/- per TEU per day and repairing charges at actual is proposed to be levied at Empty Container Yard.
- (viii). The charges were approved by Chairman and a Trade Notice dated 15.2.2020 was issued. Subsequently, Board vide B.R.No.12 dated 25.6.2020 has ratified the above charges for handling Empty containers at Empty Container Yard and also to send a proposal to TAMP for approval.
- (ix). As per clause 5.7.4 of TAMP Working Guidelines 2018, the adhoc rate to be operated and the Performance standards to be applied in the interim period must be based on the approach outlined in clause 5.7.1 of the Working Guidelines and it must be in consultation with the concerned users. Accordingly, consent letter dated 5.11.2020 received from the user, M/s. Interasia Shipping Lines India Pvt. Ltd. is furnished.

3.2. The CHPT has made available the Board approval as well as the Trade notice issued by it.

3.3. In view of the above, the CHPT has proposed to include the charges for handling Empty container at ECY as a new schedule 3.6 under section 3 – Cargo Related charges. The relevant portion of the SOR is as under:

### **“3.6 Charges for handling empty containers at Empty Container Yard**

#### **3.6.1 Handling Charges**

<b>Sl.No.</b>	<b>Description of Container</b>	<b>Unit</b>	<b>Charges (in ₹.)</b>
1.	Empty Containers of length upto 20 feet	Each	837.76
2.	Empty Containers of length above 20 feet and upto 40 feet	Each	1256.64
3.	Empty Containers of length above 40 feet	Each	1675.52

#### **Notes:**

1. The above charges are for Lift-On, Lift-Off, Transportation & Survey of empty containers.
2. Repairing of empty containers will be as per the requirement of the lines and shall be charged on actual basis.

### **3.6.2 Storage Charges (Rate per day or part thereof)**

<b>Description</b>	<b>Containers of length up to 20' (in Rupees)</b>	<b>Containers of length above 20' but upto 40' (in Rupees)</b>	<b>Containers of length above 40' (in Rupees)</b>
First 30 days	Free	Free	Free
From 31 <sup>st</sup> day to 45 <sup>th</sup> day	50	100	150
From 46 <sup>th</sup> day to 60 <sup>th</sup> day	100	200	300
Beyond 60 days	200	400	600

4. In accordance with the consultative procedure prescribed, a copy of the CHPT proposal was forwarded to the concerned users/ user organizations vide letter dated 21 January 2021 seeking their comments. None of the users / user organisations have furnished their comments, till the case was finalized.

5.1. On an initial scrutiny of the proposal of CHPT, it was seen that some information/ clarification are required from CHPT. Accordingly, additional information/ clarification was sought from CHPT vide letter dated 17 February 2021. This was followed by a remainder dated 24 March 2021. The CHPT vide its letter dated 13 April 2021 has responded. The information/ clarification sought and the response of CHPT thereon are tabulated below:

<b>Sl. No.</b>	<b>Information/ clarification sought</b>	<b>Response of CHPT</b>
(i)	The proposal for fixation of charges for handling containers at Empty Container Parking Yard inside the Port was approved by the Board vide its Resolution dated 29.3.2019 and a Contractor was engaged sometime in January 2020 and the Port had issued a Trade Notice in February 2020 itself. In this regard, the CHPT to explain the reason for submission of proposal to TAMP for approval of rates only in January 2021.	The proposal to start Empty Container yard inside ChPT premises was a new concept, which emerged during brain storming sessions with port users / terminals. Hence, as recorded in B.R. dated 29.3.2020, it was proposed to start ECY on trial basis for 6 months initially. In pursuance to the B.R. dated 29.03.2019, a Special Limited Tender (SLT) was issued on 04.06.2019. The said SLT was discharged since the rate submitted by the L1 bidder was high. Subsequently, the SLT was re-invited on 04.11.2019 and the work order was issued to M/s.Sanmuga Transport Pvt. Ltd., the lowest bidder for operating Empty Container Yard in an area of about 4000 Sq. m. initially for a period of six months from 20.2.2020 to 19.8.2020. Trade notice was issued on 15.02.2020. Thereafter, storage charges were revised and a Trade notice was issued on 04.06.2020. The Board vide BR No.12 dated 25.06.2020 had ratified the charges. As per clause 5.7.4 of the TAMP Working Guidelines 2018, consent letter from the users is to be obtained. Due to Covid-19 Pandemic lockdown no user had used the Empty container yard and thereby the consent of the user could not be obtained. The contract was further extended for a period of six months w.e.f 20.08.2020 to 19.02.2021 and the consent letter from one user Ms./Interasia Shipping Lines India Pvt. Ltd. was received only on 05.11.2020 and thereafter, proposal was sent to TAMP.
(ii).	With regard to the Working Statement attached by CHPT in support of the proposed charges for handling Empty Containers at ECY, the CHPT to clarify/ furnish the following:	
(a).	The land lease charges for open space has been considered as of January 2020. The land lease charges may require updation as of January 2021.	It is stated that no empty containers have been handled at the Empty container yard during January 2021 & February 2021. Further, the contract has expired on 19.2.2021. Hence, updation of land lease charges may not be necessary.

<b>(b).</b>	<p>(i). The night weightage allowance and holiday allowance has been considered as of January 2020. The same may require updation as of January 2021.</p> <p>(ii). Also, documentary evidence in support of the updated night weightage allowance and holiday allowance to be furnished.</p> <p>(iii). It is seen that the number of days considered in the calculation of the Holiday wages is 30 days whereas in the Night weightage allowance, the number of days is considered as 31 days. The reason for the difference to be explained.</p>	<p>For the reasons stated in reply to para 2 (ii)(a) above, updation of night weight allowance may not be necessary.</p> <p>During the period 01.01.2020 to 30.06.2020, the Outdoor operational staff were eligible for seven Board holidays and hence on an average 30 days are considered for holiday wages. However, since calculation of Night Weightage allowance was made based on January 2020, 31 days has been considered.</p>
<b>(c).</b>	<p>The CHPT in its proposal has indicated that it has engaged a Contractor to operate the empty container yard and that the contractor has quoted rate of ₹ 612/- per TEU. The contract is reported to be valid upto 19 February 2021, as of now. In this regard, the CHPT to clarify/ furnish the following:</p>	
	<p>(i). A copy of the Contract to be made available to us for records.</p> <p>(ii). Given that the contract is valid upto only 19 February 2021, the relevance of considering the rate of ₹ 612/- per TEU as per the existing contract, in the workings, to be explained.</p> <p>(iii). The rate of ₹ 612/- per TEU may require updation based on the new/ renewed contract to be entered by CHPT with the contractor.</p>	<p>[The CHPT has furnished a copy each of the Work order dated 31.01.2020 and extension order dated 07.08.2020 issued to M/s. Sanmuga Transport Pvt. Ltd., as Annexure-(a) &amp; (b) respectively.]</p> <p>As approved by the Board vide B.R. dated 29.3.2019, the charges for handling containers at ECY were arrived considering the charges quoted by the bidder (Rs.612/- per TEU) and the Port expenses (Rs.225.76 per TEU) for operation of the yard on trial basis.</p> <p>The contract was extended for further period of six months upto 19.2.2021 at the same rate. Since the contract is not extended beyond 19.2.2021, updation of the rate may not be necessary. TAMP is requested to regularise the proposed rates only for the period from 20.2.2020 to 19.2.2021.</p>
<b>(d).</b>	<p>Out of the area of 4000 sq.m earmarked for Empty container Yard, the CHPT has considered storage of only 160 containers, after considering about 40% of the total area to be used for movement of cranes and vehicles. The basis for considering about 40% area for movement of cranes and vehicles to be explained.</p>	<p>As stated earlier, based on the concept emerged during meetings with the terminal operators and shipping lines, it was proposed to start Empty Container Yard on a trial basis for 6 months.</p> <p>Hence, a volume of 2500 TEUs per month was arrived approximately based on space required for each container, space required for movement of cranes, vehicles, etc., dwell time of 6 days and stack height of 3.</p> <p>The working for calculation of the volume of 2500 TEUs was furnished as Annexure-II of the proposal</p>
<b>(e).</b>	<p>The basis for considering average dwell time of 6 days to be explained.</p>	
<b>(f).</b>	<p>The basis for considering stack height of 3 to be explained</p>	
<b>(g).</b>	<p>The period from which approval is sought by CHPT for this subject proposal also to be indicated.</p>	<p>TAMP is requested to regularise the proposed charges for operation of ECY from 20.02.2020 to 19.02.2021 only.</p>
<b>(iii).</b>	<p>The proposal of CHPT is for prescribing charges for handling containers at Empty Container Yard. In this backdrop, the CHPT to explain / furnish the following:</p>	

<b>(a).</b>	The reason for proposing charges for storage of containers at Empty Container Yard.	This facility of operating an empty container yard in Chennai Port is a new one and there is every possibility of the Users to use the yard as a storage space. Hence, it was proposed to charge storage charges.
<b>(b).</b>	The basis and workings in support of the proposed storage charges.	In order to attract the Trade, it was proposed to allow 30 days free time and beyond 30 days a minimum of Rs.50/- per 20' container per day has been proposed. The storage charges for 40' and above 40' containers has been calculated adopting the ratio of 1.5 times and 2 times, as prescribed in Clause 9.5 of the TAMP Working Guidelines, 2018.

5.2. Vide the said letter dated 13 April 2021, the CHPT has also submitted that the contract for operation of Empty Container Yard has expired on 19.2.2021. Hence, the Port has sought approval / regularization of the charges for operation of Empty Container Yard for the period from 20.2.2020 to 19.2.2021. The Port has conveyed that once the Yard operation is revived, separate proposal will be sent by CHPT to TAMP for approval.

6. In view of the outbreak of COVID – 19 and in pursuance of the Ministry of Shipping (MOS) letter No. 11053/30/2020-Coord. dated 16 April 2020 to hold virtual meetings, a joint hearing on the case in reference was held on 18 February 2021 through Video Conferencing. At the joint hearing, the CHPT and the users/ user organisations have made their submissions.

7. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the arguments made by the concerned parties will be sent separately to them. These details will also be made available at our website <http://tariffauthority.gov.in>.

8. With reference to totality of information collected during the processing of this case, the following position emerges:

- (i). Based on the request made by the trade to provide Empty Container Yard (ECY) inside the Port area, so as to avoid delay in bringing the containers from outside the Port and connect to their vessels in time, the Chennai Port Trust (CHPT) has identified an ECY admeasuring about 4,000 sq.m inside the Port. In this context, the CHPT has appointed a yard operator (through Special Limited Tender) to provide container handling services viz. Lift-On, Lift-Off, Transportation and Survey of empty containers and Repairing of empty containers, with effect from 20 February 2020. The Work Order which was initially for a period of 6 months, was thereafter extended for another 6 months period upto 19 February 2021. Thus, the proposal of the port is to regularise the rates levied by the port for the services rendered at the ECY during the period from 20 February 2020 to 19 February 2021.
- (ii). Clause 5.7.1 of the working guidelines for determination of Tariff for Major Ports, 2018 (Working Guidelines 2015) read with the Clause 8.2 of the Tariff Policy 2018, stipulates that, whenever a specific tariff for a service/ cargo is not available in the SOR, of that particular port, the concerned Major Port Trust can approach TAMP for notification of tariff for the said new cargo/ equipment/ service adopting the tariff and performance standards if any fixed for comparable cargo/ equipment/ service in any other Major Port Trust. If there is no rate available in any other Major Port Trust or if the rate available is not representative enough of the proposed new cargo/ service/ facility, then the port may file the proposal for notification of tariff for the said new cargo/ equipment/ service with reference to optimal capacity assessed following the principles of 2008 guidelines or based on rated capacity or technical specification of service/ facility/ equipment. If determination of tariff based on the above prescribed options is not possible, then the Major Port Trusts after giving sufficient reasons may propose rates based on Cost plus 16% return formula. Since the ECY at CHPT is a

standalone facility and the norms prescribed in 2008 Guidelines for assessing optimal capacity, operating expenses etc., are not relevant, the CHPT has arrived at the tariff based on the charges payable to the contractor and to cover port expenses. The proposal of the CHPT has the approval of its Board of Trustees.

(iii). The CHPT has proposed a handling rate of ₹837.76/- per empty container upto 20 feet, by taking into account the charges payable to the Contractor appointed by CHPT for carrying out the Lift-On, Lift-Off, Transportation and Survey of empty containers at the ECY at ₹ 612/- per 20' container and to recover the costs relating to lease rent of the land (as per SOR of the CHPT) allotted for ECY and the expenses incurred by the port towards various types of manpower aggregating to ₹ 225.76 per 20' container. Each of the cost component considered by the CHPT to arrive at the proposed rate is discussed in the subsequent paragraphs.

(iv). **Capacity of the Facility:**

The ECY at CHPT is reported to cover an area of 4,000 sq. mtrs. Given that a twenty feet container occupies an area of 14.86 sq.m (6.09 mtrs. X 2.44 mtrs) and taking into account 60% of space as available for stacking of containers and the remaining 40% of area is required for movement of cranes and vehicles, the number of containers that can be in the empty container yard has been arrived by the CHPT and further considering a stacking factor of 3, the CHPT has arrived at the capacity of the facility at 485 TEUs (4000 sq. mtrs x 60% ÷ 14.86 sq. mtrs x 3 stack height = 484.52 or say 485 TEUs). Thereafter, considering 30 days in a month and average dwell time of 6 days, the turn round time of each container is worked out at 5 turns (30 days / 6 days = 5 turns). Thus, the CHPT has determined that about 2500 TEUs (485 TEU x 5 turns = 2425 TEUs or say 2500 TEUs) can be accommodated in the empty container yard in a month. This, has been considered to be the capacity of ECY per month. The judgment of the port in this regard is relied upon.

(v). **Operation Cost :**

(a). The CHPT has considered an amount of ₹.5.35 lakhs per month towards land lease charges considering the lease charges of ₹.13,385 per 100 sq. mtrs per month as per the prevailing approved Estate SOR for the total area of 4000 sq. mtrs. (4000 sqm. x ₹.13385 per 100 sqm. p.m / 100 = ₹. 535400 per month).

(b). The Night Weightage allowance has been estimated at ₹. 0.16 lakhs per month. The CHPT has reported that the Night Weightage allowance has been determined considering deployment of one "Assistant Superintendent" at the ECY as per the existing practice of working. The judgment of the port in this regard is relied upon.

(c). Holiday wages has also been taken into account considering deployment of one "Assistant Superintendent" at the ECY by taking into account the average monthly emoluments viz. Basic pay, Dearness allowance and House Rent allowance for 3 shifts in a day and taking into account the number of holidays occurred during the period from January 2020 to June 2020. Accordingly, Holiday wages has been determined at ₹. 0.14 lakhs per month. The judgment of the port in this regard is relied upon.

(d). Accordingly, the total Port expenses has been arrived by the CHPT at ₹.5.64 lakhs per month. This works out to a rate of ₹.225.76 per TEU for an estimated capacity of 2500 TEUs per month.



- (e). In addition to the above expenses, the Port has also considered the charges @ ₹. 612 per TEU payable to the operator.
- (vi). The rate of ₹ 612/- per 20' container payable by the port to the Contractor is a market determined rate. As regards the port expenses of ₹ 225.76 per 20' Container, which has been captured by the port in the proposed rate, the CHPT has furnished detailed working in support of the proposed rate.

In view of the above and given that none of the users have objected to the levy of the charges at ECY and taking into account the approval of the Board of Trustees, the proposal of the port to regularise the rate of ₹ 837.76 per 20' container as levied by the port for the services rendered at the ECY during the period from 20 February 2020 to 19 February 2021, is approved.

- (vii). Further, the port has proposed handling charges for a 40' container at 1.5 times the rate of normal container at ₹ 1256.64 (₹ 837.76 x 1.5 times) and the rate for a Container above 40' has been prescribed by the port at 2 times the rate of normal container at ₹ 1675.52 (₹ 837.76 x 2 times). The proposed handling charges are seen to be in line with Clause 9.5 of the Working Guidelines to operationalize the Tariff Policy for Major Port Trusts, 2018 for determination of tariff for Major Port Trusts. Thus, this Authority is inclined to approve the handling charges as proposed by the Port for 40' containers and above 40' containers.
- (viii). Further, on the ground that the ECY being a new facility, there is every possibility of the yard being used as a storage space, the port has proposed storage charge of ₹50/- per TEU per day beyond 30 days free period. A slab wise Storage Charges is proposed to be levied by the port from the users.

As per Clause 8.6 of the Working Guidelines issued to operationalize the Tariff Policy, 2018, the individual ports have liberty to prescribe the number of free days. Hence, the number of 30 days free period is approved.

The CHPT has not furnished any basis/ working for arriving the proposed storage charges. Nevertheless, since there are no objections from any of the users/ user organisation on the proposed storage charges and keeping in view the flexibility available to the port to determine the rates based on the market forces and commercial judgment of the port and also considering that the CHPT Board has approved the proposed storage charges, this Authority is inclined to approve the storage charges as proposed by the Port.

The storage charges for 40' and above 40' containers has been calculated adopting the ratio of 2 times and 3 times respectively, as prescribed in Clause 9.5 of the TAMP Working Guidelines, 2018.

- (ix). The CHPT has proposed a note to the effect that the prescribed handling charges are for Lift-On, Lift-Off, Transportation and Survey of empty containers. Since the proposed note gives clarity on the scope of services covered under the handling charges and is seen to be in line with the scope of the work given to the operator of ECY, as reported by the CHPT, the proposed note is approved.
- (x). The CHPT has also proposed a note to the effect that repairing of empty containers will be as per the requirement of the lines and shall be charged on actual basis. Since the proposed note gives clarity and avoids ambiguity, the proposed note is approved.
- (xi). The CHPT has not quantified the additional revenue generated from the operation of ECY. From the cost particulars given by CHPT, it is seen that the rates proposed by the port is to generally enable the port to recover the expenses incurred by the port and the charges to be payable to the Operator. In view of the above, it may not be

incorrect to presume that not very significant amount of additional revenue would have been generated by the port during the period of operation of ECY. It is noteworthy that during the last general revision of tariff of CHPT in October 2019, there was a revenue gap to the tune of ₹.30.32 crores, which has been left uncovered by the Port, then. Thus, any additional revenue due to this faster turnaround time of containers arising out of the levy of rates approved at ECY, would get subsumed in the revenue gap.

- (xii). Levy of any charges by the Port which are covered by Section 48 of the Major Port Trusts Act, 1963, requires approval of this Authority. From the submissions made by CHPT, it is noticed that the CHPT has commissioned the services of ECY with effect from 20 February 2020 much prior to filing its proposal on 16 January 2021. The Contract has also reported to have expired by 19 February 2021. Thus, the CHPT has sought approval to the proposed incorporation of rates in its Scale of Rates with effect from 20 January 2020 to 19 February 2021, thereby presenting a *fait accompli* situation to this Authority. It is not unreasonable to expect a port to take advance action for introduction of any new rates instead of presenting *fait accompli* situation before this Authority. It is noteworthy that the working guidelines provide for filing of the proposal for notification of rate for use of a new facility or a new service and levy of proposed rates on adhoc manner simultaneously.
- (xiii). Orders of this Authority generally come into effect prospectively after expiry of 30 days from the date of Gazette Notification unless otherwise different arrangement is specifically mentioned in the respective tariff Orders. In exceptional cases, retrospective effect is given for reasons to be recorded. In the case in reference, the proposal of the port is to regularise the rates levied by the port for the services rendered at the ECY during the period from 20 February 2020 to 19 February 2021. For the reasons as brought out in the earlier paragraphs, this Authority is inclined to accord approval for levy of the proposed charges during the period from 20 February 2020 to 19 February 2021.

9. In the result, and for the reasons given above and based on a collective application of mind, approval is accorded for levy of following charges by the CHPT at ECY during the period from 20 February 2020 to 19 February 2021:

### **“3.6 Charges for handling empty containers at Empty Container Yard**

#### **3.6.1 Handling Charges**

<b>Sl. No.</b>	<b>Description of Container</b>	<b>Unit</b>	<b>Charges (in ₹.)</b>
1.	Empty Containers of length upto 20 feet	Each	837.76
2.	Empty Containers of length above 20 feet and upto 40 feet	Each	1256.64
3.	Empty Containers of length above 40 feet	Each	1675.52

#### **Notes:**

1. The above charges are for Lift-On, Lift-Off, Transportation & Survey of empty containers.
2. Repairing of empty containers will be as per the requirement of the lines and shall be charged on actual basis.
3. The schedule 3.6 is valid for the period from 20 February 2020 to 19 February 2021.

**3.6.2 Storage Charges (Rate per day or part thereof)**

<b>Description</b>	<b>Containers of length up to 20' (₹.)</b>	<b>Containers of length above 20' but upto 40' (₹.)</b>	<b>Containers of length above 40' (₹.)</b>
First 30 days	Free	Free	Free
From 31 <sup>st</sup> day to 45 <sup>th</sup> day	50	100	150
From 46 <sup>th</sup> day to 60 <sup>th</sup> day	100	200	300
Beyond 60 days	200	400	600

**(T.S. Balasubramanian)**  
Member (Finance)

**SUMMARY OF THE ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING  
BEFORE THE AUTHORITY.**

<b>TAMP/10/2021-CHPT</b>	<b>:</b>	<b>Proposal received from the Chennai Port Trust (CHPT) for fixation of charges for handling containers at Empty Container Parking Yard inside the Port.</b>
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In view of the outbreak of COVID – 19 and in pursuance of the Ministry of Shipping (MOS) letter No. 11053/30/2020-Coord. dated 16 April 2020 to hold virtual meetings, a joint hearing on the case in reference was held on 18 February 2021 through Video Conferencing. At the joint hearing, CHPT made a brief power point presentation of its proposal. The CHPT and the users/ user organisations have made their following submissions during the joint hearing.

**Chennai Port Trust (CHPT)**

- (i). Based on the request made by the Trade and BOT operators, the CHPT has decided to provide Empty Container Yard (ECY) facility inside Chennai Port to avoid delay in brining containers from outside the Port in time to connect to the container vessels.
- (ii). An area of 4000 sq. m. inside Chennai Port has been earmarked for ECY. A Yard operator has been appointed through Special Limited tender on 31.1.2019, who shall operate ECY and render Lift On, Lift Off, transportation, survey & repairing of empty containers at the rate of ₹612/- per TEU. The Contractor has commenced operations on 20.2.2020.
- (iii). The port shall collect the proposed rate of ₹ 837.76 per TEU from customers to cover port expenses and the operator's charges. A detailed working to arrive at the proposed rate has been submitted to TAMP
- (iv). Charges for storage of containers have also been proposed.
- (v). The validity of the contract with the Operator expires on 19 February 2021. We request TAMP to regularize the rates charged by CHPT till 19 February 2021. For the period beyond 19 February 2021, we will work out modalities and come up with a separate proposal.

**CHENSAA**

- (i). We welcome the proposal.
- (ii). We just want to know as to whether to attract the Shipping Lines, the port can try to match its rates with rates of other ECYs.

[CHPT: The rates proposed by CHPT are based on its cost calculations.]

**CCTPL**

- (i). The proposal is based on the demand made by the users. It is a good proposal.

**PSA-CITPL**

- (i). We are thankful to CHPT for coming up with this proposal. It will facilitate additional storage area. We welcome the proposal.

**Chennai Custom Brokers Association**

- (i). The handling rates proposed by CHPT are reasonable. We are agreeable for rates of storage charges.

**Chairman, CHPT**

- (i) The proposal has been formulated keeping in view the request made by the Trade. TAMP is requested to give its approval to the rates proposed by CHPT.

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