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TARIFF AUTHORITY FOR MAJOR PORTS

G.No.38

New Delhi,

20 January 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 of the Cochin Port Trust (COPT) seeking approval of tariff to collect port charges for vessels calling at outer anchorage for "Maritime services such as crew change, bunkering, ship stores, ship repairs etc." at COPT, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

TARIFF AUTHORITY FOR MAJOR PORTS
Case No.TAMP/44/2020-COPT

Cochin Port Trust

- - -

Applicant

QUORUM

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

ORDER

(Passed on this 28th day of December 2020)

This case relates to the proposal received from the Cochin Port Trust (COPT) seeking approval of tariff to collect port charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc. at COPT.

2. This Authority had, vide Order No.TAMP/10/2019-COPT dated 10 October 2019, approved general revision of Scale of Rates (SOR) of the COPT. This Order was notified in the Gazette of India on 30 October 2019 vide Gazette No.378. Subsequently, a speaking Order was notified vide Gazette No.446 dated 04 December 2019. The revised SOR notified by this Authority came into effect after expiry of 30 days from the date of notification of the SOR in the Gazette of India and shall be in force for a period of 3 years from the date the revised SOR came into effect.

3. The COPT has now vide its letter dated 16 October 2020 has made following submissions in its current proposal:

- (i). During the review meeting taken by Hon'ble Minister for Shipping via video conferencing on 27 July 2020, it was noted that ship repair / crew change / supply of stores / bunkering facilities could become future opportunities of revenue generation for the port. Hence, based on the operations taken place during last 4 months, this proposal is submitted for consideration and approval of rates for adhoc implementation with effect from 15 October 2020.
- (ii). The crew change operations at COPT anchorage have seen over 630 ships for the period from 15 May 2020 to 26 September 2020 changing more than 10,000 seafarers. Presently, the port is collecting only tug hire charges notified in the SOR of the port and about ₹11.17 crores has been collected during the above period. On an analysis of the data for the crew change it is seen that, on an average, the tug hire charges are billed for 3 hours and amounts to ₹1.5 lakhs approx.
- (iii). Since no other charges are now being collected, it has been decided to explore the possibility of collecting a nominal charge for use of the outer anchorage, in line with the charges collected at other International Ports. A comparison of tariff at other International Ports is given below:

Anchorage Charges at Neighbouring Ports

Country	Rate		50,000 GRT (In INR)	
Colombo	Per 100 GRT or part thereof per 24 hours or part thereof	US\$ 2.20	₹82,500 per day	₹3,450 per hour
Singapore	First day-Rate per GRT per 100 GT (\$)	US\$1.00 per day	₹37,500 per day	₹1,565 per hour
	2 nd day – Rate per GRT per 100 GT(\$)	US\$ 4.40 per day	₹1,65,000 per day	₹6,875 per hour
Fujairah	Upto 10 days	Free		
	From 11 th day to 15 th day	5750 Dhs/day	₹1,15,575 per day	₹4,815.63 per hour
	From 16 th day to 20 th day	8625 Dhs/day		
	From 21 st day and above	11,500 Dhs/day		
Sharjah	First 3 days	AED 3 fils per GRT	₹60,300 for 3 days	₹837.50 per hour
	After 3 days till 7 th day	AED 3 fils per GRT per day		

- (iv). Comparing the size of vessels calling at COPT, the largest cargo ship is about 80,000 GRT and the smaller feeder vessels have a GRT of about 15,000. Taking the average size of the vessels as 50,000 GRT, the port has decided to charge ₹5,500/- per hour or part thereof as port charges for vessels calling at outer anchorage for maritime services irrespective of the size / category of the vessels.
- (v). The port charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc. will apply from the time the vessel anchors at the anchorage to the time it picks up anchor.
- (vi). In case a vessel that does not anchor; but, only comes to the anchorage to pick up/drop off personnel or goods, the port charges for maritime services such as crew change, bunkering, ship stores, ship repairs etc. will apply from the time the vessel reaches to position to the time the vessel completes the operations.
- (vii). Since facilitation of maritime services at the outer anchorage is a new venture and in order to promote the business and sustain the tempo, only an attractive introductory tariff is introduced, which could be gradually increased as the business flourishes.
- (viii). Accordingly, it is proposed to incorporate the following charges in Chapter-II 'Vessel Related charges' as a new clause 2.8 in the existing Scale of Rates as "Port Charges for vessels calling at outer anchorage for Maritime services such as crew change, bunkering, ship stores, ship repairs etc." as given below:

"2.8 *Port Charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc.*

Description	Unit	Rate (in ₹)
<i>Charges for vessels calling at outer anchorage for Maritime services</i>	<i>Per hour or part thereof</i>	<i>5500.00</i>

Note:-

- (i). *The charges will apply from the time of letting go of anchor to anchor aweigh and in the case of the ships not anchoring, it will apply from the time the vessel arrives at the designated position to the time it completes the service.*
- (ii). *This charge is in addition to the anchorage charges & tug hire charges which are separately notified in the Scale of Rates."*
- (ix). The above proposal has been approved by the Chairperson, COPT and it is proposed to collect the above charges on adhoc basis with effect from 15 October 2020. The proposal will be placed in the ensuring Board and a copy of the Board Agenda and Resolution will be submitted in due course after the Board Meeting.
- (x). In view of the foregoing, it is requested to approve the rate of ₹5,500/- per hour or part thereof towards port charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc. on adhoc basis with effect from 15 October 2020 and issue necessary order in this regard at the earliest.

4.1. While acknowledging the subject proposal, the COPT vide our letter dated 21 October 2020 was requested to furnish information on a few points based on the preliminary scrutiny of the proposal. The COPT has responded vide its letter dated 04 November 2020 and subsequent emails dated 06 December 2020 and 10 December 2020. The information / clarification sought by us and the response of COPT is tabulated below:

Sr. No.	Information / documents sought by us	Reply furnished by COPT
(i).	As per clause 10.1.1 of the Working Guidelines, Vessel related charges for foreign-going vessels will continue to be denominated in US dollars and recovered in Indian rupees. The proposal of the port states that this item is a vessel related charge. The port has, however, proposed single tariff in rupee terms. The port to,	(a). The rate of ₹5,500/- per hour or part thereof was fixed towards Port Charges for vessels calling at outer anchorage for maritime services after having discussion with the trade. Since facilitation of maritime services at outer harbor is a new venture and in order to promote the business, an

	<p>therefore, consider to propose tariff for this item for foreign going vessel in US\$ to fall in line with the said Clause of the Working guidelines and for coastal vessel in rupee denomination after capturing the 40% concession applicable as per the coastal concession policy of the Government and brought in para 10.1.2 of the Working Guidelines, 2018.</p>	<p>attractive introductory notional tariff was proposed which could be gradually increased as the business flourishes. The tariff proposed was an all-encompassing composite tariff similar to the rationalized tariff fixed by the Ministry for Cruise vessels.</p>																
(ii).	<p>Clause 7.6.1. of the Tariff Policy, 2018 prescribes the option for fixation of tariff for new cargo/ service for which tariff is not available in the existing SOR viz. adoption of rate for similar cargo/ facility in other major ports, normative basis adopting 2008 principles and cost plus 16% return approach. The port to clarify the proposed rate falls under which of the options prescribed in the Tariff Policy, 2018. The port to furnish the basis of the proposed rate.</p>	<p>(b). The rate of ₹5,500/- per hour communicated earlier was fixed by taking reference tariff of Rate 2.3.4. Sl. No.4 of the existing SOR of COPT i.e. anchorage charges notified in the SOR fixed for the Non Port berth for the stay beyond 144 hours i.e. US\$ 0.001466 per GRT per hour (Clause 2.3.4 Sl. No.4). Comparing the size of vessels calling at Cochin Port, the largest cargo ships at about 80,000 GRT and smaller feeder vessels at about 15,000 GRT, an average GRT of 50,000 has been taken. Accordingly, a rate of ₹5,500/- per hour or part thereof was fixed irrespective of size/category of vessel, based on the calculation as given below:</p> <table border="1" data-bbox="885 880 1428 1077"> <thead> <tr> <th>Anchorage charges beyond 144 hours (in US\$) (A)</th> <th>Average GRT of vessel (B)</th> <th>Dollar rate in INR (C)</th> <th>Proposed Maritime service charge in original proposal (A x B x C)</th> </tr> </thead> <tbody> <tr> <td>\$ 0.001466</td> <td>50,000</td> <td>75</td> <td>₹5,497.5 (rounded off to ₹5,500/-)</td> </tr> </tbody> </table> <p>(c). Since the TAMP has instructed to propose <i>tariff</i> for this item for foreign going vessel in US\$ to fall in line with the Clause 10.1.1 and 10.1.2 of the Working guidelines and for coastal vessel in rupee denomination after capturing 40% concession applicable as per the coastal concession policy of the Government, separate tariff for foreign and coastal vessel are proposed as per the table shown below taking reference of the same tariff of Rate 2.3.4., Sl. No.4 of the existing SOR of COPT:]</p> <p>The rate is in line with the recommendation of the Committee, which was based on consultation with Trade.</p> <table border="1" data-bbox="885 1568 1428 1742"> <thead> <tr> <th>Description</th> <th>Unit</th> <th>Coastal Vessel (in ₹)</th> <th>Foreign Vessel (in US\$)</th> </tr> </thead> <tbody> <tr> <td>Charges for vessels calling at outer anchorage for Maritime Services</td> <td>Per hour or part thereof</td> <td>3,300.00*</td> <td>73.3 #</td> </tr> </tbody> </table> <p>* (73.30 US\$ X ₹75.00 X 60%) # (₹5497.50/ ₹75.00 = US \$ 73.30)</p> <p>(d). Instead of taking tariff of the other Ports as reference tariff, Port has taken reference of its own Tariff at Clause No.2.3.4 Sl. No.4 of the existing SOR of COPT. The port has also compared the tariff of other International Ports like Colombo, Singapore, Fujairah etc. before arriving at the above proposed rates and has found it comparable with the rates for</p>	Anchorage charges beyond 144 hours (in US\$) (A)	Average GRT of vessel (B)	Dollar rate in INR (C)	Proposed Maritime service charge in original proposal (A x B x C)	\$ 0.001466	50,000	75	₹5,497.5 (rounded off to ₹5,500/-)	Description	Unit	Coastal Vessel (in ₹)	Foreign Vessel (in US\$)	Charges for vessels calling at outer anchorage for Maritime Services	Per hour or part thereof	3,300.00*	73.3 #
Anchorage charges beyond 144 hours (in US\$) (A)	Average GRT of vessel (B)	Dollar rate in INR (C)	Proposed Maritime service charge in original proposal (A x B x C)															
\$ 0.001466	50,000	75	₹5,497.5 (rounded off to ₹5,500/-)															
Description	Unit	Coastal Vessel (in ₹)	Foreign Vessel (in US\$)															
Charges for vessels calling at outer anchorage for Maritime Services	Per hour or part thereof	3,300.00*	73.3 #															

		<p>similar services at the neighbouring international ports.</p> <p>(e). Subsequently, the COPT vide its email dated 06 December 2020 has further clarified that the proposed port charges for marine services are exclusive of anchorage charges, tug charges or any other charges prescribed in the Scale of Rates and levied by the Port i.e. they will be charged in addition to the anchorage charges, tug hire charges (if their services are used by the ships) or any other service provided by the Port which will be charged separately.</p> <p>Port Charges for maritime services will apply from the moment the vessel arrives to avail of the maritime service while anchorage charges will apply only after 48 hours. After 48 hours both charges will apply.</p> <p>Notes to the SOR proposed clarifies this position as below:</p> <ol style="list-style-type: none"> 1. Port charges for maritime services will apply from the time of letting go of anchor to anchor aweigh and in the case of the ships not anchoring, it will apply from the time the vessel arrives at the designated position to the time it completes the service. 2. This charge is in addition to the anchorage charges, tug hire charges and any other charges which are separately notified in the Scale of Rates. <p>Port dues will not be charged to the ships calling at the anchorage for any services as the vessel has not entered the port. (See note #2 under Para 2.1.2 of SOR).</p>
(iii).	In the last general SOR approved by this Authority, vide Order No.TAMP/10/2019-COPT dated 10 October 2019, the revenue gap left uncovered is to the tune of ₹21.27 crores. The COPT to estimate the additional revenue likely to accrue at the proposed rate for Charges for vessels calling at outer anchorage for Maritime services at ₹5,500/- per hour or part thereof and confirm that it shall be within the revenue gap left uncovered so as to ensure that the total revenue estimates is within the total estimated ARR of ₹418.89 crores in the said Order.	Additional revenue likely to be generated from the proposed new rate is approximately ₹6 crores per annum which is well within the revenue gap left uncovered of ₹21.27 crores and within the total estimated ARR of ₹418 crores.
(iv).	Also, furnish a copy of the Board approval for the proposed rate.	COPT vide its email dated 10 December 2020 has forwarded a copy of the Board approval on the proposal of the port. The Board of Trustees of the port has approved the revised rate of US\$73.3 per hour of part thereof for foreign going vessel and ₹3,300/- per hour of part thereof for coastal vessel w.e.f. from 26 November 2020 and to implement the revised rates on adhoc basis

		from the said date till the approval of the rates by this Authority. The Board of Trustees of COPT has also ratified the action taken by the port of implementing the rate of ₹5,500/- per hour of part thereof on adhoc basis w.e.f. 15 October 2020 as per the original proposal of the COPT.
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4.2. Thus, the COPT vide its letter dated 04 November 2020 has proposed to incorporate the following proposed charges in Chapter-II 'Vessel Related Charges' as a new clause 2.8 in the existing Scale of Rates as "Port Charges for vessels calling at outer anchorage for Maritime services such as crew change, bunkering, ship stores, ship repairs etc." as against its original proposal of ₹5,500/- per hour:

"2.8 Port Charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc.

Description	Unit	Coastal vessel (in ₹)	Foreign vessel (in US\$)
Charges for vessels calling at outer anchorage for Maritime services	Per hour or part thereof	3,300.00	73.3

"Note.-

- (i) The charges will apply from the time of letting go of anchor to anchor aweigh and in the case of the ships not anchoring, it will apply from the time the vessel arrives at the designated position to the time it completes the service.*
- (ii) This charge is in addition to the anchorage charges & tug hire charges which are separately notified in the Scale of Rates."*

5. In accordance with the consultation process prescribed, a copy of the COPT proposal dated 16 October 2020 was circulated vide our letter dated 21 October 2020 to the users/ user organisations seeking their comments. Further, subsequent letter of the COPT dated 04 November 2020 was also circulated to the users/ user organisations vide our letter dated 10 November 2020 seeking their comments. We have received comments from Cochin Steamer Agents Association (CSAA). None of the other users/ user organisations have furnished their comments. A copy of the comments received from CSAA was forwarded to the COPT as feedback information. The COPT has not responded till the matter was taken up for finalization.

6. A joint hearing in this case was held on 24 November 2020 through Video Conferencing. The COPT and the concerned users / user organizations 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 comments received and 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 the totality of the information collected during the processing of the case, the following position emerges:

- (i). The proposal filed by the Cochin Port Trust (COPT) is to prescribe tariff to collect port charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc. at COPT.*

The proposal has been mooted in view of series of crew change operations of over 630 ships at COPT outer anchorage which happened for the period from 15 May 2020 to 26 September 2020 changing more than 10,000 seafarers. As confirmed by the COPT, presently, the port is collecting only tug hire charges notified in the SOR of the port. Tug hire charges are billed for 3 hours and amounts to ₹1.5 lakhs approx. Apart from tug hire charges, no other charges are now being collected. Crew change duration is 20 hours. Port does not earn any revenue as per the existing SOR except tug hire charges though services of crew change is availed at outside anchorage of the port. Hence, the proposed rate is introduced. Thus, in short, in view of crew change services availed in the COPT limits outside the anchorage, the COPT has decided to explore the possibility of collecting a nominal charge for use of the outer anchorage, in line with the charges collected at other International neighboring Ports.

Clause 7.6.1 of the Tariff Policy, 2018 prescribes the option for fixation of tariff for new cargo/ service for which tariff is not available in the existing SOR viz. adoption of rate for similar cargo/ facility in other major ports, normative basis adopting 2008 principles and cost plus 16% return approach. The port has furnished the basis of the proposed tariff which is brought out in the subsequent paragraph.

The proposal of the COPT seeks tariff for a new services availed at its port. That being so, there is merit to consider the proposal of COPT.

- (ii). Now, coming to the current proposal of the COPT, the COPT has proposed to collect port charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc. at COPT.

In the original proposal, COPT had proposed rate at ₹5,500/- per hour after having discussion with the trade and keeping in view the charges collected at other International neighboring Ports stating that since facilitation of maritime services at outer harbor is a new venture and in order to promote the business, an attractive introductory notional tariff was proposed. The tariff proposed was an all-encompassing composite tariff similar to the rationalized tariff fixed by the Ministry for Cruise vessels.

Based on the point raised by office for separate rate for coastal vessel as per the coastal concession policy of the Government, COPT has now proposed separate rate for foreign vessel at US\$73.30 per hour and for coastal vessel at ₹3,300/- per hour. The statement showing calculations is brought out in the preceding paragraphs which is not reiterated again for sake of brevity. For arriving at the proposed rate, the port has considered the anchorage charges prescribed in schedule 2.3.4. of the existing SOR of COPT for the Non Port berth for the stay of vessel beyond 144 hours at US\$ 0.001466 per GRT per hour and considering the average GRT of vessels at 50,000 based on the size of largest vessel and smallest feeder vessels calling at Cochin Port $(80,000 + 15000) / 2 = 50,000$ GRT) and arrived at US\$ 73.30 per hour or part thereof for foreign going vessel [$0.001466 \times 50,000$ GRT]. The concessional rate for coastal vessel is proposed applying exchange rate of 1US\$=₹75. The port has drawn comparison of the proposed tariff with the tariff of other International Ports like Colombo, Singapore, Fujairah and Sharjah and has found the proposed rate comparable with the rates for similar services at the neighbouring international ports. The Board of Trustees of the COPT has approved the revised rate with effect from 26 November 2020.

- (iii). (a). The port has proposed two notes. The first note states that the proposed port charges for maritime services would apply from the time of letting go of anchor to anchor aweigh and in the case of the ships not anchoring, it will apply from the time the vessel arrives at the designated position to the time it completes the service. The proposed note is regarding the time of applicability of the proposed rate and hence approved.
- (b). The second note states that the proposed charge is in addition to the anchorage charges, tug hire charges and any other charges which are separately notified in the Scale of Rates.

The tariff proposed are for services of crew change, bunkering, ship stores, ship repairs etc. at COPT outside the port anchorage. The port has confirmed that port dues will not be charged to the ships calling at the anchorage for any services as the vessel has not entered the port

Presently, the port charges tug hire charges for the vessels outside anchorage for availing the said maritime services. As regards, anchorage charges, as per the existing SOR of COPT, the anchorage charges are leviable only after 48 hours as per the Berthing Policy, 2016 and hence are not leviable for the first 48 hours. The crew change services are completed in 20 hours as reported by the port. The proposed Port Charges for maritime services will apply from the moment the vessel arrives to avail of the maritime service till the completion

of services, whilst anchorage charges will apply only after 48 hours of stay at anchorage. The second note proposed is more of a clarificatory in nature and hence approved.

- (iv). Cochin Steamer Agents Association (CSAA) and Indian National Shipowners' Association (INSA) have pointed out that bunkering is for around 20 hours. At proposed rate, the impact will be around rupees 1 lakh. The vessels will go back and CSAA have done lot of marketing to get bunkering into COPT. They have got vessels from Colombo. Such a tariff is not being charged at other international Ports. Hence, CSAA and INSA have requested the port for waiver of the charges for bunkering or atleast 50% discount in the proposed rates.

The port has reacted that it is sensitive on the said matter and has taken it to Board. The port has assured that this charge may be waived by the port if the vessel comes for bunkering subject to approval of its Board. The port has, however, during the processing of the case insisted to prescribe the proposed rate in the SOR so that port can review it.

Based on the clarification furnished by the port and recognising that the Board of Trustees of the port has approved the proposed rate, the proposed rates are prescribed in the SOR. As per clause 2.7 of the Tariff Policy, 2018, it is for the concerned Major Port Trust to ensure that as a result of the change in SOR there will not be a loss of traffic.

- (v). The revenue from port charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc. at COPT is estimated to be around ₹6 crores per annum. This will, however, not have any significant impact on the revenue estimated in the last general revision Order No.TAMP/10/2019-COPT dated 10 October 2019 at the proposed SOR which is of ₹418 crores and the revenue gap left uncovered is to the tune of ₹21.27 crores.
- (vi). The COPT has intimated that the port is collecting the originally proposed tariff of ₹5,500 per hour or part thereof on adhoc basis from 15 October 2020 and hence has sought adhoc approval of the proposed rate with effect from 15 October 2020.

It is relevant here to mention that for a new cargo / service / facility for which no tariff is available in the existing SOR of the port, Clause 5.7.3 read with clause 5.7.1 and 5.7.2 of the working guidelines 2018 allows the port to levy the proposed rates on an ad hoc basis simultaneously along with filing of its proposal to this Authority. Further, clause 5.7.5 of the Working Guidelines stipulates that ordinarily the rates to be approved for new cargo / facility shall have prospective effect. The said clause also allows this Authority to recognize the interim rate adopted by the Port in an adhoc manner unless it is found to be excessive requiring some moderation retrospectively.

The port has, during the processing the case, forwarded a copy of its Board approval on the proposal of the port. The Board of Trustees of the port has approved the revised rate of US\$ 73.3 per hour of part thereof for foreign going vessel and ₹3,300/- per hour of part thereof for coastal vessel w.e.f. from 26 November 2020 and has accorded approval to implement the revised rates on adhoc basis from the said date till the approval of the rates by this Authority. The Board of Trustees of COPT has also ratified the action taken by the port of implementing the rate of ₹5,500/- per hour of part thereof on adhoc basis w.e.f. 15 October 2020 as per the original proposal of the COPT.

The rate proposed by the COPT in the revised proposal is only conversion of ₹ denominated rate into US\$. The rate to be approved by this Authority is not found to be varying from the original rate proposed by COPT and being collected provisionally on adhoc basis by the port. Further, the proposed rate has already been implemented by the port which is in line with clause 5.7.1 and 5.7.2 of the Working Guidelines. That being so, and also recognising that the Board of Trustees has ratified the action taken by the port of implementing the rate of ₹5,500/- per hour of part thereof on adhoc basis w.e.f. 15 October 2020 as per the original proposal of the COPT and has approved revised rates of US\$ 73.3 per hour of part thereof for foreign going vessel and ₹3,300/-

per hour of part thereof for coastal vessel from 26 November 2020, this Authority recognises the same in line with clause 5.7.5 of the Working Guidelines till the revised rates approved by this Authority comes into effect.

The rates approved by 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. Since the proposed rates are already implemented by the port based on the approval of its Board, the revised rates proposed by the COPT are given effect from the date of notification of the Order in the Gazette and the revised rates implemented by the port with effect from 26 November 2020 are deemed to have been ratified till the date of notification of the Order passed.

The rates prescribed for this item shall form part of the general revision of the SOR of the port approved under the Tariff Policy, 2018 vide Order No.TAMP/10/2019-COPT dated 10 October 2019 and the validity of the rates shall be coterminous with the validity of the revised SOR of the port approved by this Authority.

9.1. In the result, and for the reasons given above, and based on a collective application of mind, the following is approved as insertion as sub schedule 2.8 under Chapter II – Vessel Related Charges in the existing Scale of Rates (SOR) of COPT:

“2.8 *Port Charges for vessels calling at outer anchorage for maritime services such as crew change, bunkering, ship stores, ship repairs etc.*

Description	Unit	Coastal Vessel (in ₹)	Foreign Vessel (in US\$)
<i>Charges for vessels calling at outer anchorage for Maritime services such as crew change, bunkering, ship stores, ship repairs.</i>	<i>Per hour or part thereof</i>	3,300.00	73.30

Notes:

- (i). *The charges will apply from the time of letting go of anchor to anchor aweigh and in the case of the ships not anchoring, it will apply from the time the vessel arrives at the designated position to the time it completes the service.*
- (ii). *This charge is in addition to the anchorage charges & tug hire charges which are separately notified in the Scale of Rates.”*

9.2. The rates approved by this Authority shall into effect from the date the Order is notified by this Authority. The rates prescribed for this item shall form part of the general revision of the SOR of the port approved under the Tariff Policy, 2018 and the validity of the rates shall be co-terminus with the validity of the revised SOR of the port approved by this Authority vide Order No.TAMP/10/2019-COPT dated 10 October 2019.

9.3. Based on the ratification / approval accorded by the Board of Trustees of the COPT, the rate collected on adhoc basis by the COPT at the proposed rate of ₹5,500/- per hour of part thereof as per the original proposal of the COPT and revised rates of US\$73.3 per hour of part thereof for foreign going vessel and ₹3,300/- per hour of part thereof for coastal vessel with effect from 26 November 2020 are ratified by this Authority till the rates approved by this Authority come into effect on the date of notification of this order in the Gazette of India.

9.4. The COPT is directed to suitably incorporate the sub-schedule 2.8 in its SOR along with the Notes.

(T.S. Balasubramanian)
Member (Finance)

SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / DIFFERENT USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

TAMP/44/2020-COPT : Proposal received from the Cochin Port Trust seeking approval of tariff to collect port charges for vessels calling at outer anchorage for “Maritime services such as crew change, bunkering, ship stores, ship repairs etc.” at COPT.

1.1. A summary of comments received from Cochin Steamer Agents Association (CSAA) is given below:

Sl. No.	Comments of the users/ user organisations
1.	Cochin Steamer Agents Association (CSAA) (Page Nos. 24-28/c)
(i).	Cochin Steamer Agents Association (CSAA) would like to inform TAMP that COPT authorities had conducted a meeting with our members to discuss on the said matter on 15 September 2020. Citing the concerns from our members we had submitted a request letter dated 23 September 2020 addressed to Deputy Conservator COPT (copy furnished). We understand the fact that these charges are the part of the trade progression, but, we are concerned that the introduction of new charges may take away our business to the neighbouring ports like Colombo who will be our immediate competitor, especially in case of bunkering.
(ii).	As a result of the untiring efforts, trade was able to grab the bunkering business back to Cochin and is dealing much decent volumes as of now. The COPT is having comparatively high rates for VRC than the neighbouring ports and we could assimilate that these charges will be effective as per ceiling rates in conformity with TAMP SOR. By increasing the cost further, may setback the bunkering volumes. Hence, CSAA humbly requests to consider their concerns and provide an exemption of Port charges to bunker calls or provide atleast a 50% discount on the charges which would help to retain /attract more business to COPT.

1.2. The COPT has not responded till the matter was taken up for finalization.

2. A joint hearing in this case was held on 24 November 2020 through Video Conferencing. The COPT and the concerned users / user organizations have made the following submissions at the joint hearing:

Cochin Port Trust (COPT)

- (i). Proposal is for levy of charges on vessel calling at outer anchorage for Maritime services like crew change, bunkering, ship stores, etc.
- (ii). In the original proposal, we had proposed rate at ₹5,500/- per hour.
- (iii). Based on the point raised by TAMP for separate rate for coastal vessel as per the coastal concession policy, we have now proposed separate rate for foreign at US\$ 73.3 per hour and for coastal vessel at ₹3300/- per hour.

Cochin Steamer Agents Association (CSAA) & representing J.M. Baxi

(Mr. Sajith)

- (i). We have done lot of marketing to get bunkering into COPT. We have got vessels from Colombo.
- (ii). Bunkering is for around 20 hours. At proposed rate, the impact will be around 1 lakh. The vessels will go back.
- (iii). Such a tariff is not being charged at other international Ports. We request for waiver of the charges for bunkering or atleast 50% discount in the proposed rates.
- (iv). The proposal will impact vessels at SPM. SPM vessels are already paying other charges at SPM.

GAC India Shipping Pvt Ltd

(Mr.Sankar Narayanan)

- (i). We have expressed our concern to COPT. Vessel owners are not accepting this charge.
- (ii). As regards anchorage charges on SPM vessels, the COPT is demanding charges for March, April and May 2020. During Covid, the Ministry of Shipping has given directions for waiver of storage charges, anchorage charges, etc. Hence we request for exemption of anchorage charges for the past period on SPM vessel being demanded by the port.
[COPT: We are taking up this matter with the Board to address their grievance.]

Indian National Shipowners' Association (INSA)

- (i). We have nothing to add more than what CSAA has said.
- (ii). CSAA has given logical reasoning.
- (iii). It is not correct to recover charges retrospectively.

Cochin Steamer Agents Association (CSAA)

- (i). There is no provision for bunkering at SPM.
- (ii). We cannot have both operations at SPM viz., handling through SPM and bunkering.

Atlantic Global Shipping

(Sanjay Dalvi)

- (i). Crew change was not allowed prior to Covid.
- (ii). During Covid, vessels were directed to COPT for crew change.
- (iii). The COPT did not levy any separate charge except tug hire charges. Now in the current proposal, the port has proposed hourly rate for vessel availing crew change services. At the proposed rate, the said services may not be availed at the port.
- (iv). The vessels are not calling in India. That is they are not signing in India. In that case, how can this tariff be imposed?

COPT

(Dy. Conservator)

- (i). Presently, we were only collecting tug hire charge. No other charges are levied for change of crew services done by vessels at the outer anchorage at COPT.
- (ii). As per SOR, anchorage charge is leviable only after 48 hours. But, crew change duration is 20 hours. Port does not earn any revenue as per the existing SOR except tug hire charges though services of crew change is availed at outside anchorage at the port. Hence, the proposed rate is introduced.
- (iii). As regards the concern raised by the trade about bunkering, Port is very sensitive. We have taken to Board of the port. This charge may be waived for bunkering services. We will not charge this rate if the vessel comes for bunkering subject to Board approval.

COPT

(Dy. Chairman)

- (i). We have now only proposed reduced rate.

COPT

(Traffic Manager)

- (i). We are addressing the concern of trade.

COPT

(Dy. CAO)

- (i). Though we are going to the Board for waiver of charges for bunkering, it shall be subject to review. Hence, we want the proposed rate to be included in the SOR.

[Member (Finance), TAMP: Port may ensure that there is no reduction of traffic on account of the proposed tariff.]

Atlantic Global Shipping

(Sanjay Dalvi)

- (i). Rate should have prospective effect. It should not have retrospective effect.
