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Tariff Authority for Major Ports

G.No.523

New Delhi,

29 October 2021

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby extends the validity of the existing tariff for use of 100 tonne Harbour Mobile Crane installed at West Quay and East Quay berths in the inner harbour for cargo handling operations by authorised service provider on license basis at Visakhapatnam Port Trust (VPT) approved by this Authority vide Order No.TAMP/21/2015-VPT dated 15 May 2015 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

TARIFF AUTHORITY FOR MAJOR PORTS
Case No.TAMP/70/2017-VPT

Visakhapatnam 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 11th day of October 2021)

This case relates to a proposal filed by Visakhapatnam Port Trust (VPT) for extension of the validity of the existing tariff for use of 100 tonne Harbour Mobile Crane (HMC) approved by this Authority vide Order No.TAMP/21/2015-VPT dated 15 May 2015 installed at East and West Quay berths of VPT for cargo handling operations by authorised service provider on license basis at VPT.

2.1. This Authority vide its Order No.TAMP/21/2015-VPT dated 15 May 2015 had, based on the proposal filed by the VPT dated 24 March 2015, passed an Order for fixation of charges for use of 100 tonne HMC to be installed at the East Quay and West Quay berths of VPT on license basis for cargo handling operations. The said Order was notified in the Gazette of India vide Gazette No.196 dated 28 May 2015. As per para 10 of the said Order, the rate approved comes into effect after expiry of 30 days from the date the Order is notified in the Gazette and is valid for 3 years. Accordingly, the validity of the approved rate is till 26 June 2018. The rates prescribed in the said Order is subject to annual escalation @ 100% variation in WPI after completion of one year from the effective date of implementation.

2.2. Subsequently, this Authority vide its Order No.TAMP/70/2017-VPT dated 29 March 2019 has, based on the request of the VPT, extended the validity of the then existing tariff for use of 100 tonne HMC approved by this Authority vide Order No.TAMP/21/2015-VPT dated 15 May 2015 from date of its expiry till 16 August 2021 with applicable indexation in the rate as per note no.(viii) prescribed in the Order dated 15 May 2015. The said Order was notified in the Gazette of India vide Gazette No.198 dated 07 June 2019.

3. The VPT has vide its e-mail dated 16 July 2021 forwarded its letter No.FA/Cost/HMC/38C/2021 dated 16 July 2021 seeking further extension of the existing rates for 100T HMC for a period of three years i.e. till 16 August 2024 subject to annual indexation in the tariff. The main points made by the VPT in its letter dated 16 July 2021 are as follows:

- (i). The reference tariff extended for use of 100 tonne Harbour Mobile Crane in inner harbour vide Order No.TAMP/70/2017-VPT dated 29 March 2019 is valid upto 16 August 2021. VPT Board resolved to extend the licensee period of 2 HMCs deployed at WQ-1&3 for a further period of 1 year vide Resolution No.10 of 2021-22 of the Board Meeting No.1 of 2021-22 held on 15 June 2021 (copy furnished).
- (ii). The following is the position of HMC's operating in VPT at present:

Sl. No.	Operating on Berth	License period valid upto
1.	WQ 1 & 3 (Two HMC's)	Extended for a further period of 1 (one) year upto 1/8/2022 & 16/8/2022 vide Board Resolution No.10 of 2021-22
2.	WQ 7 & 8 (One HMC)	5/2/2024
3.	EQ 7 (One HMC)	20/6/2022

- (iii). Since validity of tariff extended vide Order No.TAMP/70/2017-VPT dated 29 March 2019 expires on 16 July 2021, the VPT has requested to further extend the validity of the tariff approved earlier for HMC with due escalations for a further period of 3 (three) years i.e. 16 August 2024.
- (iv). The approval of Board for extension of the validity of the tariff approved will be obtained in the ensuing Board Meeting and submitted in due course.

4. The VPT during the processing of the proposal had vide its letter dated 23 August 2021 sought extension of the validity of existing rate for 100T HMC linked to the validity of the individual license given by the VPT service provider i.e. upto 05 February 2024 in respect of M/s.TRS Lift & Staff Services Private Limited and in respect of Seapol upto 16 August 2022. In this regard, it is relevant here to mention that the rates approved by this Authority is based on proposal of Major Port Trusts for cargo handling services provided by service provider authorized by the Port. The approval accorded by this Authority in the Order dated 15 May 2015 is for HMCs to be installed at East Quay and West Quay berths as common rates without any reference to individual service provider. Hence, the request of VPT to extend validity of rates for HMC for individual service provider may not be feasible.

5. Further, in view of gaps observed in the proposal, the VPT was requested to furnish information / clarification / documents on a few points. The VPT has responded vide their e-mails dated 06 September 2021, 14 September 2021 and 20 September 2021. The main points made by the VPT are summarised below:

- (i). A copy of the Resolution No.10 of 2021-22 of the Board Meeting No.1 of 2021-22 held on 15 June 2021 approving extension of the validity of license for 100T HMC awarded to the authorised service provider alongwith a copy of Agenda note placed before Board of Trustees is furnished .
- (ii). The original license period of 100T HMC as per the tender invited and awarded to M/s.TRS Lift and Shift Services Private Limited in WQ-7 and WQ8 is for 5 years i.e. from 06 February 2019 to 05 February 2024, which is written in the Board Agenda No.I-14 in subject.
- (iii). The VPT has requested to extend the validity of the tariff approved by TAMP for a further period of 3 (three) years i.e., upto 05.02.2024 with applicable indexation, since already the tariff order validity has expired and extension is necessarily required for operations. The VPT has stated that extension of validity of rates cannot be postponed till Board Resolution.
- (iv). Ratification of the Board of Trustees of VPT for extension of the validity of the tariff approved will be obtained in the ensuing Board Meeting and submitted in due course.

6. Since the matter is only for extension of validity of the existing tariff for HMC with applicable escalation to match the license period of HMC granted by the VPT to HMC provider, consultation and joint hearing on the proposal of VPT is not found necessary.

7.1. In short, the validity of the existing tariff approved earlier for HMC expired on 16 August 2021. The VPT has stated that the license period of the 100T HMC at berth nos.7 and 8 is till 05 February 2024. The VPT has, therefore, sought extension of validity of the existing rate for 100T HMC approved by this Authority vide Order No.TAMP/21/2015-VPT dated 15 May 2015 and extended till 16 August 2021 vide Order No.TAMP/70/2017-VPT dated 29 March 2019 from the date of expiry i.e. from 17 August 2021 till 05 February 2024 subject to annual indexation in the existing tariff as per the note no.(viii) prescribed in the Order dated 15 May 2015.

7.2. In view of the above position and based on the submissions made by the VPT and since the license for 100T HMC granted by the VPT to authorised service provider is valid till 05 February 2024, this Authority grants extension of the validity of the existing tariff approved for 100T HMC vide the Order No.TAMP/21/2015-VPT dated 15 May 2015 read with extension Order

No.TAMP/70/2017-VPT dated 29 March 2019 from the date of its expiry till 05 February 2024 with applicable indexation in the rate prescribed in note (viii) of the Order dated 15 May 2015. This extension accorded by the Authority is subject to Board of Trustees of VPT approves the extension of the validity of the existing tariff approved for 100T HMC from the date of expiry till 05 February 2024 with applicable indexation in the rate as per note no.(viii) prescribed in the Order dated 15 May 2015. The VPT is requested to furnish a copy of its Board resolution approving the proposal of the port for our records.

8. In the result, and for the reasons given above, and based on a collective application of mind, this Authority extends the validity of the existing rate for 100T HMC approved vide Order No.TAMP/21/2015-VPT dated 15 May 2015 for operation of 100T HMC at the Inner Harbour of VPT at East Quay and West Quay berths for cargo handling operations at VPT read with Order No.TAMP/70/2017-VPT dated 29 March 2019 from the date of its expiry till 05 February 2024 with applicable indexation in the rate as per note no.(viii) prescribed in the said Order dated 15 May 2015. This extension in the validity of tariff granted by this Authority is subject to Board of Trustees of VPT approves the extension of the validity of the existing tariff for 100T HMC upto 05 February 2024 with applicable indexation in the rate as per note no.(viii) prescribed in the Order No.TAMP/21/2015-VPT dated 15 May 2015.

(T.S. Balasubramanian)
Member (Finance)