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Tariff Authority for Major Ports

G.No.232

New Delhi,

11 June 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 schedule of Upfront tariff for Stevedoring and Shore Handling Charges and the Performance Standards of the New Mangalore Port Trust (NMPT) approved by this Authority vide earlier Order No.TAMP/69/2016-NMPT dated 19 March 2018 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

TARIFF AUTHORITY FOR MAJOR PORTS
Case No.TAMP/69/2016-NMPT

New Mangalore Port Trust

Applicant

QUORUM

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

ORDER

(Passed on this 13th day of May 2021)

This case relates to a proposal filed by New Mangalore Port Trust (NMPT) for extension of the validity of the existing schedule of Upfront tariff for Stevedoring and Shore Handling Charges and the Performance Standards of the NMPT.

2. This Authority vide its Order No.TAMP/69/2016-NMPT dated 19 March 2018 has, based on the proposal of NMPT and after following due consultation process with stakeholders and after holding joint hearing, approved the schedule of Upfront Tariff for Stevedoring and Shore Handling operations and Performance Standards for NMPT following the Stevedoring and Shore Handling Guidelines issued by the Ministry of Ports, Shipping and Waterways. This Order was notified in the Gazette of India on 25 May 2018 vide Gazette No.195. The notified Order came into effect from 23 June 2018 and validity was prescribed for a period of 3 years i.e. 22 June 2021.

3.1. The NMPT vide its e-mail dated 11 March 2021 has forwarded its letter No.NMPT/TM/TAMP/2020-21 dated 09 March 2021 requesting to extend the validity of rates fixed by this Authority for a further period of 3 years.

3.2. The main submissions made by the NMPT for seeking of extension of the validity of the existing schedule of Upfront tariff for Stevedoring and Shore Handling Charges and the Performance Standards of the NMPT are summarised below:

- (i). The TAMP vide Order No.TAMP/69/2016-NMPT dated 19 March 2018 approved schedule of upfront stevedoring and shore handling charges alongwith performance standards for NMPT which was notified in Gazette of India on 25 May 2018 and came into force from 23 June 2018 which is valid till 22 June 2021.
- (ii). The Upfront Tariff approved by TAMP was circulated to Port Users vide Trade Notice No.53/2/2017/TGA.4 dated 07 June 2018.
- (iii). As per Clause 2.3 of the Stevedoring and Shore handling Guidelines, once the upfront tariff caps are set out for Stevedoring and Shore Handling operations of various commodities for a port, it will be applicable uniformly to the entire port where the Stevedoring and Shore Handling operations are carried out by private agencies or firm and this will be valid for a period of three years.
- (iv). As the Upfront tariff for Stevedores and Shore Handling operations at NMPT came into force from 23 June 2018 and valid for 3 years, the validity of the upfront tariff will expire on 22 June 2021. As such to know the views of Stevedores and Shore Handling Agents operating at NMPT on revision of Upfront Tariff, a meeting was held on 05 February 2021 with the Stevedores and Shore Handling Agents wherein the President of New Mangalore Port Trust Stevedores Association informed that due to mechanisation of coal handling, the role of Stevedores in NMPT has been reduced significantly. They also stated that by the mechanisation of container handling operation, stevedoring and shore handling activities will be further reduced by end of this year. Hence, they requested for no change in the existing upfront tariff which may be continued for further next 3 years. The minutes of the meeting dated 05 February 2021 is furnished.
- (v). Further, the volume of cargo handled by the Stevedoring and Shore Handling Agents during the last 3 years is furnished as below:

Sr. No.	Financial Year	No. of Stevedoring and Shore Handling Agents handled cargo	No. of vessels handled	Tonnage in MT
(i).	2018-19	18	465	98,00,846
(ii).	2019-20	17	397	67,72,781
(iii).	2020-21 (upto Feb 2021)	9	306	47,07,082
	Total		1168	2,12,80,709

- (vi). It may be seen from the above table that the involvement of Stevedoring and Shore Handling Agents in handling cargo at NMPT has been significantly reduced from about 10 MMT in 2018-19 to 5 MMT in 2020-21 (approx.) due to mechanisation of major cargo. It will further reduce by 2 MMT by the end of the year 2021 due to upcoming mechanisation of container handling.
- (vii). Considering the request of the Stevedoring and Shore Handling Agents as enumerated above, it is proposed to continue the existing SOR i.e. Upfront tariff for Stevedoring and Shore Handling Services as NMPT with the existing Performance Standards for a further period of 3 years w.e.f. 23 June 2021. The existing schedule of Upfront Tariff for Stevedoring and Shore Handling Services is furnished.
- (viii). In view of the above TAMP may kindly approve the proposal to continue with the existing Upfront Tariff and Performance Standards for Stevedoring and Shore Handling Services at NMPT for a period of 3 years from 23 June 2021.

4.1. Further, the NMPT vide its e-mail dated 22 April 2021 has forwarded the copy of the agenda and Minutes of 7th Ordinary Meeting of the Board of the Trustees of NMPT held on 29 March 2021 wherein the subject matter was discussed and approved vide Resolution No.RESO No.181/2020-21. The Board of the Trustees of NMPT has resolved to:

- (i). Approve continuation of the existing upfront tariff and the existing performance standards for Stevedoring and Shore handling services at NMPT for a further period of 3 years.
- (ii). Ratify the action taken to submit the proposal to TAMP.

4.2. Hence, the NMPT has requested to approve the proposal to continue the existing upfront tariff and performance standard for Stevedoring and Shore Handling Services at NMPT for a further period of 3 years from 23 June 2021.

5. The validity of the existing schedule of Upfront tariff for Stevedoring and Shore Handling Charges and the Performance Standards of the NMPT will expire on 22 June 2021. Based on the submissions made by the NMPT which is after eliciting the views of Stevedores and Shore Handling Agents by the NMPT and there is an agreement between the NMPT and the concerned stakeholders for extension of the existing upfront tariff for 3 years beyond its expiry and also the said proposal is approved by the Board of Trustees of the NMPT, this Authority is inclined to extend the validity of the existing schedule of Upfront tariff for Stevedoring and Shore Handling Charges and the Performance Standards of NMPT approved by this Authority vide Order No.TAMP/69/2016-NMPT dated 19 March 2018 from the date of its expiry for a period of three years i.e. till 22 June 2024.

6. 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 schedule of Upfront tariff for Stevedoring and Shore Handling Charges and the Performance Standards of NMPT approved by this Authority vide Order No.TAMP/69/2016-NMPT dated 19 March 2018 from the date of its expiry for a period of three years i.e. till 22 June 2024. The validity shall automatically lapse thereafter unless specifically extended by this Authority.

(T.S. Balasubramanian)
Member (Finance)