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Tariff Authority for Major Ports

G.No. 169

New Delhi,

28 April 2017

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 amends the Scale of Rates relating to adhoc upfront tariff for Stevedoring and Shore Handling Operations, 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

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Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 29th day of March 2017)

Based on the proposal of New Mangalore Port Trust (NMPT) dated 15 November 2016, the Authority had passed an Order No.TAMP/69/2016-NMPT dated 08 February 2017 fixing upfront tariff for Stevedoring and Shore Handling Operations on an ad hoc basis as an interim arrangement at NMPT. The said Order was notified in the Gazette of India on 01 March 2017 vide Gazette No.81.

1.2. The Note on Performance Standards for Dry Bulk Cargo prescribed by the Authority in the said Order in the Annexure – II is as follows:

“The Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 for dry bulk cargo as stipulated in clause 7.1. of the guidelines issued by the Ministry of Shipping for fixation of upfront tariff for stevedoring and shore handling operations”.

1.3. The Performance Standards for Dry Bulk Cargo proposed by the NMPT in its proposal dated 15 November 2016 are as follows:

Cargo Group No.	Cargo	Norm in tons per hook per shift	Average no. of hooks per shift
1	Finished fertilizer	900	3
2	Fertilizer Raw Material (FRM)	810	3
3	Food grains	660	3
4	Non Coking coal (Thermal coal)	1000	4
5	Coking coal	900	4
6	Iron ore, iron ore pellets, Bentonite, Bauxite, Copper concentrate, lead and zinc ore	1460	4
10	Limestone, Dolomite, Clinker, Clay, Sand and other similar dry bulk cargo	1080	3

Note: The norms specified is applicable for both the stevedoring and shore handling.

2. The NMPT vide its letter no.53/2/2017/TGA.4 dated 02 March 2017 has requested to issue a corrigendum to the Order dated 08 February 2017. The points made by NMPT vide its letter dated 02 March 2017 are summarized below:

- (i). In the Order dated 08 February 2017 it is found that the performance standards prescribed for Dry Bulk cargo in the Annexure II is stated as below:

“The Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 for Dry Bulk cargo as stipulated in clause 7.1 of the guidelines issued by the Ministry of Shipping for fixation of upfront tariff for stevedoring and shore handling operations.”

- (ii). Tariff for Dry Bulk Cargo has been worked out on the basis of the performance norms for three categories viz. with the use of Shore cranes, 64 Ton HMC and 100 Ton HMC. As the rate has been prescribed based on the working on the above performance norms it is reiterated that the performance standards should reflect the same. The performance standards adopted for calculation of the tariff for the Dry Bulk cargo are given in the table below:

A. For Dry Bulk Cargo

Group No.	Cargo	Norms in ton per hook per shift with the use of		
		Ship Crane	64 Ton HMC	100 ton HMC
1	Finished fertilizer	900	3400	4200
2	Fertilizer Raw Material (FRM)	810	3400	4200
3.	Food Grains	660	3400	4200
4.	Non Coking Coal (Thermal Coal)	1000	3400	4200
5.	Coking Coal	900	3400	4200
6.	Iron Ore, Iron Ore pellets, Bentonite, Bauxite, Copper Concentrates, lead and zinc ore.	1460	3400	4200
10.	Limestone, Dolomite, Clinker, Clay, Sand and other similar dry bulk cargo.	1080	3400	4200

- (iii). The proposal included upfront tariff for Shore Handling operation for two commodities under Break Bulk Cargo i.e. (i) Iron and Steel, Coils and Slabs (ii) Iron & Steels pipes, Tubes, plates. These commodities were inadvertently missed out in the items prescribed in the SOR. The TAMP order provides the ad hoc rate for Stevedoring Charges for above two commodities at Serial No.2 and 3 of Section 2.2 of Chapter II of SOR. However, there are no charges prescribed for above commodities for Shore Handling under Section 3.2 of Chapter III of SOR.
- (iv). As per NMPT's proposal submitted to TAMP vide letter No.53/2/2016/TGA.4 dated 15 November 2016 the proposed rate for Shore Handling charges for above said two commodities.
- (a). Iron and Steel, Coils and Slabs – ₹206/- per ton.
(b). Iron & Steels pipes, Tubes, plates – ₹240/- per ton.
- (v). In view of the above, the Authority is requested to grant approval and may issue orders & Corrigendum for:
- (a). Replacing the para under Dry Bulk cargo with the performance standards prescribed in the table given above.
(b). To include the upfront tariff rates for the two commodities mentioned above, under Shore Handling charges in the Section 3.2 of Chapter III of SOR of NMPT.
- (vi). The proposed performance standard and the Section 3.2 of Chapter III of SOR are as follows:
- (a). Performance Standards for Dry Bulk Cargo:

Group No.	Cargo	Norms in ton per hook per shift with the use of		
		Ship Crane	64 Ton HMC	100 ton HMC

1	Finished fertilizer	900	3400	4200
2	Fertilizer Raw Material (FRM)	810	3400	4200
3.	Food Grains	660	3400	4200
4.	Non Coking Coal (Thermal Coal)	1000	3400	4200
5.	Coking Coal	900	3400	4200
6.	Iron Ore, Iron Ore pellets, Bentonite, Bauxite, Copper Concentrates, lead and zinc ore.	1460	3400	4200
10.	Limestone, Dolomite, Clinker, Clay, Sand and other similar dry bulk cargo.	1080	3400	4200

(b). Chapter – III Shore handling Charges – Section 3.2. Break Bulk Cargo:

Sl. No	Cargo	Shore Handling charges per ton in ₹
1	All cargo in bags of various weights (25, 50, 60 kg, etc.) that are manually handled such as: Cashew Nuts, Cashew Kernels, Tamarind Seed, Cement, Rice, Wheat and other food grains, Salt, Sugar, Candy or cube, Soda Ash	136
2	Iron and steel coils and slabs	206
3	Iron and steel pipes, tubes plates	240
4	Timber Logs of varying length and of heavy weight; normally more than 1.5 MT per piece.	280
5	Granite Blocks of all dimensions normally in the range of 3.0 to 40.0 MT per block and Marbles of varying weight such as: Granite, Granite Blocks & Marbles, Stones-Sculptural, engraved slabs, dressed, etc.	207
6	Containers of 20' and 40' in length and other odd sizes weighing normally 2.5 MT for 20' and 4.0 MT for 40' (Per TEU)	1441
7	Containers of 20' and 40' in length and other odd sizes weighing up to 30.5 MT for 20' and 32.5 MT for 40' (Per TEU)	1565
8	All types of Machinery and machinery products that are of varying weights and dimensions such as: Machinery and Spares, Machinery parts, Military Goods, Arms, Ammunition, Explosives and Defense Stores, Tank and Tank parts, Arms, Ammunitions, Explosives, Defense Stores and Defense equipment / machinery.	463

Notes for schedule 3.1 and 3.2:

1. The charges prescribed are for the entire shore handling activities consisting of the receipt of the cargo at the hook point, handling on the wharf, transportation to the storage point, storage, delivery of the cargo to the consignee for the import cargo. The reverse cycle will be for the export cargo.
2. The Stevedoring and Shore Handling Operator has to engage the Port composite labour gang for the Shore handling operation and pay to the port the per ton levy as per the prevailing Scale of Rate for the supply of the cargo handling worker.

3. Any incentives to be paid to the workers as per the statutory agreement are to be paid to the Port or the worker as the case may be by the Stevedoring and Shore Handling Operator.
4. The charges specified is a composite rate and no other charges can be levied.

3. When the NMPT proposals dated 15 November 2016 and 2 March 2017 are read together, the following position emerges:

- (i). The proposal dated 15 November 2016 contained Performance Standards for Dry Bulk Cargo as Annexure to Chapter III of the draft Scale of Rates in terms of tonnage per hook per shift only. However, that Annexure did not contain Performance Standard for Dry Bulk Cargo to be handled by ship crane, 64 Tonne HMC and 100 Tonne HMC.
- (ii). Clause 2.10. of the Stevedoring and Shore Handling Guidelines stipulates that tariff caps will be indexed to inflation only to an extent of 60% of the variation in the Wholesale Price Index (WPI) occurring between 1 January and 31 December of the relevant year. Such indexation is automatic; and, the said indexation is not linked to achievement of performance standards considered for upfront tariff fixation for Stevedoring and Shore Handling Operations. Therefore, inspite of the non-prescription of Performance Standards for Dry Bulk Cargo considered in tariff fixation, in the Scale of Rates, the tariff fixed for NMPT is eligible for automatic indexation to the extent of 60% of the variation in the WPI.
- (iii). In the Annex-II of the Tariff Order dated 8 February 2017, the following note for Performance Standard for Dry Bulk Cargo was prescribed:

“A. For Dry Bulk Cargo:

The Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 for dry bulk cargo as stipulated in clause 7.1. of the guidelines issued by the Ministry of Shipping for fixation of upfront tariff for stevedoring and shore handling operations.”

The NMPT has requested to replace the above said note with the Performance Standards proposed by the port for Dry Bulk Cargo in terms of cargo handled by ship crane, 64 Tonne HMC and 100 Tonne HMC. If the above prescribed note is replaced as requested by the NMPT then there will not be criteria for indexing tariff to 100% WPI if the operator achieves the Performance Standards as prescribed in the Berthing Policy. Therefore, the Performance Standards for Dry Bulk Cargo as prescribed in Annex-II shall remain intact. The operator will not be put into disadvantages position because of retention of the above said Performance Standards since the operator is entitled for automatic indexation of his tariff to 60% of the WPI irrespective of the position whether he achieves Performance Standards or not.

- (iv). As admitted by the NMPT, the proposed Scale of Rates by the port included iron and steel coils & slabs, iron and steel pipes, tubes plates at Section 3.2. (Break Bulk Cargo) in respect of Stevedoring operations. Whereas the said two cargo groups were not found in its draft Scale of Rates at Section 3.1. in respect of Shore handling operations. Therefore, the request of the port to include the above said two cargo groups under Shore handling charges in the Section 3.2. of Chapter III of the Scale of Rates of NMPT is acceded to.

4. In the result, and for the reasons given above, and based on collective application of mind, this Authority replaces the existing table under Section 3.2. (Break Bulk Cargo) of Chapter III of the Scale of Rates with the following table:

“3.2. Break Bulk Cargo

Sl. No.	Cargo	Shore Handling charges per ton in ₹
1	All cargo in bags of various weights (25, 50, 60 kg, etc.) that are manually handled such as: Cashew Nuts, Cashew Kernels, Tamarind Seed, Cement, Rice, Wheat and other food grains, Salt, Sugar, Candy or cube, Soda Ash	136
2	Iron and steel coils and slabs	206
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