Tariff Authority for Major Ports

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the representation submitted by M/s. Shreyas Shipping Limited, relating to transhipment cost for containers arriving either at the Jawaharlal Nehru Port Trust or at the Nhava Sheva International Container Terminal Limited, as in the Order appended hereto.

( S. Sathyam, Chairman )

Case No. TAMP/69/99 - JNPT

M/s. Shreyas Shipping Limited … Applicant

Vs.

Jawaharlal Nehru Port Trust

and … Respondent

Nhava Sheva International Container Terminal Limited

ORDER

(Passed on this 19th day of July 2000)

M/s. Shreyas Shipping Limited (SSL) has submitted a representation stating that the transhipment cost for containers arriving either at the Jawaharlal Nehru Port Trust (JNPT) or at the Nhava Sheva International Container Terminal (NSICT) but reloaded at the other terminal is double the existing rate as the NSIC Terminal and the JNPT Terminal are treated as separate entities for charging the rate applicable for transhipment.

2. 1. In its representation, the SSL has stated that with the commissioning of the NSIC Terminal within the JNPT, transhipment of containers at the Port has given rise to the following possibilities:
(i). A mother vessel can be a caller at the NSICT or at the JNPT.

(ii). A feeder vessel carrying containers for / from the mother vessel can call at any of the above Terminals.

2.2. The applicant has apprehended that if a feeder vessel calling at the JNPT terminal has to deliver / pick boxes for mother vessel calling at the NSIC Terminal, the container-handling charges, which include trucking of containers between the terminals and loading / discharging at the respective Terminals, may be separately recovered by both the Terminals as two separate charges and not as a composite transhipment charge. According to the SSL, the NSIC Terminal and the JNPT Terminal are adjacent terminals in the Jawaharlal Nehru Port; and, it is not correct to require a Line to pay transhipment charges twice.

3. The Indian National Shipowners’ Association (INSA) has also supported the request of the SSL and stated that only one transhipment charge applicable to a single Terminal must be shared on 50-50 basis in mutual understanding between the two Terminals. It has cited an example of transfer taking place at airports where an incoming carrier ensures all baggage transferred to an outgoing operator without extra costs. It has suggested that ‘discharging Terminal’ in a port may arrange necessary delivery to the loading Terminal and transhipment charge shared.

4.1. The representation of the SSL was sent to the JNPT for comments. The JNPT has furnished the following comments:

(i). There is a composite transhipment charge for the JNPT Container Terminal as well as for the NSIC Terminal in the tariff which is applicable for transhipment containers discharged either at the JNPT Terminal or the NSIC Terminal and loaded back into the mainline vessels from the same Terminal.

(ii). The proposals for discharging / loading transhipment containers at one terminal either the JNPT or the NSICT and arranging inter-terminal transportation is under examination jointly by the JNPT and the NSICT; and, no decision can be arrived as it is likely to attract additional cost and likely to have a technical problem in computerised planning. The matter needs to be examined further in detail.

(iii). In the meanwhile, the SSL has been advised to commence and continue its operations on the basis of two port discharges separately for which there are already notified tariffs.

4.2. Subsequently, the JNPT has intimated that the SSL has already commenced movement of transhipment containers to/from JNPT on the basis of two port discharge separately for which notified tariffs exist.
5. In accordance with the procedure prescribed, a copy of the representation and a copy of the comments received from the JNPT were forwarded to the NSICT and the Container Shipping Lines Association of India (CSLA) also seeking their comments.

6.1. A joint hearing in this case was held on 19 November 1999. At the time of joint hearing, the JNPT and the NSICT pointed out the necessity to prescribe a higher rate for inter-Terminal transfer in the cases of transhipment in view of the additional activities involved in movement of containers from the yard from one Terminal to the other Terminal. The SSL informed in the joint hearing that an interim solution agreeable to both the JNPT and the NSICT had been worked out; and, no inter-Terminal charges would be levied by them. However, the INSA contended that the interim solution was not a happy arrangement and inter-Terminal trucking arrangement would provide better solution.

6.2. It was decided at the joint hearing that the SSL would give an agreed text describing the interim arrangement installed. It was also decided that the interim arrangement would be valid for one year, and would be reviewed towards the end of this period to consider its refinement with reference to experience gained in operating it as also with reference to new ideas emerging. Further, it was agreed that the JNPT, the NSICT, and the SSL would jointly explore possibilities of improving the interim arrangement as also to develop alternative methods and the SCI would also be associated with this exercise.

6.3. The SSL has detailed the following procedure as an interim arrangement currently in operation:

(i). Transhipment containers will be unloaded in a separate yard and subsequently ‘house kept’ for concerned mainline vessel.

(ii). Transhipment containers received from mainline vessels to be federed to other neighbouring ports will be loaded on the feeder vessel.

(iii). After finishing the operations, the feeder vessel will shift to the other Terminal to continue the same operations.

(iv). Transhipment containers will be loaded on mainline vessel depending upon the mainline vessel operators’ request.

(v). Port charges the composite transhipment charges, as notified to main shipping line.
7.1. The detailed procedure of the interim arrangement submitted by the SSL was forwarded to the NSICT and the JNPT for their comments.

7.2. The NSICT has not made any comments. In the backdrop of the earlier proceedings in this case, this ‘response’ of the NSICT is taken to represent its acceptance of the arrangement described.

7.3. The JNPT has conveyed its acceptance to the procedure suggested by the SSL. The JNPT has further suggested that the procedure being followed now need not be treated as an interim arrangement for one year only and may be allowed to continue till any operational problem arises.

8. The procedure detailed in paragraph 6.3 above is in existence for nearly a year now. And, neither the Terminal Operators nor the Lines have expressed any difficulties in following the procedure. Further, the notified composite transhipment charges are being levied by the respective Terminals.

9. With reference to the totality of information collected during the processing of this case, and based on a collective application of mind, the Authority approves the procedure currently in operation at the JNPT and the NSICT for movement of transhipment containers. The existing practice will continue till any operational problem arises requiring further intervention in the matter by this Authority.

( S. Sathyam, Chairman )

[ List of Ports | List of Orders]