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Tariff Authority for Major Ports

G.No. 59

New Delhi,

13 February 2018

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 disposes of the proposal received from the V.O. Chidambaranar Port Trust for fixation of Reference Tariff for the Mechanization of Coastal berth by Supply, Installation, Commissioning, Operation and Maintenance of two number of Harbour Mobile Crane of 42 Tons Capacity and Two numbers of Rubber tyred electrically operated Mobile Hoppers on license basis for a period of ten years following the Reference Tariff Guidelines of 2013 issued by the Ministry of Shipping (MOS) as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/64/2017-VOCPT

V.O. Chidambaranar Port Trust

Applicant

QUORUM

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

O R D E R

(Passed on this 19th day of January 2018)

This case relates to a proposal dated 28 July 2017 received from V. O. Chidambaranar Port Trust (VOCPT) for fixation of reference tariff for the Mechanization of Coastal berth by Supply, Installation, Commissioning, Operation and Maintenance of two numbers of Harbour Mobile Crane of 42 Ton Capacity and Two numbers of Rubber tyred electrically operated Mobile Hoppers on license basis for a period of ten years following the Reference Tariff Guidelines of 2013 issued by the Ministry of Shipping (MOS).

2. As stated by the port, in VOCPT, out of 14 existing berths, at Zone-A, at present, there is no dedicated berth available for Coastal vessels. The Ministry of Shipping vide letter dated 22.12.2014 has directed the Port to have an exclusive dedicated coastal berth under the new central sector scheme and the Coastal berth is under construction.

Accordingly, the Port commissioned the Indian Institute of Technology Madras (IITM) on 19.08.2015 for preparation of design and structural drawings and cost estimate. The IITM suggested to deploy 42 Ton Harbour Mobile Crane in the coastal berth considering the load bearing capacity of the coastal berth.

3.1. The rates proposed by the VOCPT in its proposal are as follows:

- (i). Cargo Handling Charges using 42T HMC at Coastal Berth:

| Sl. No. | Cargo | Rater per MT (With Grab) (In Indian Rupees) | |
|---------|----------------------|--|---------|
| | | Foreign | Coastal |
| 1 | Dry Bulk Cargo | 46.32 | 27.79 |
| 2 | Steel / Bagged Cargo | 101.33 | 60.80 |
| 3 | Others | 162.13 | 97.28 |

Note: As in HMC tariff for upgradation of mechanical equipments in 9th berth & I to IV berths, for every increase/decrease in base output by 1000 MT /day corresponding increase / decrease in rate at 5% may be adopted.

- (ii). Cargo Handling Charges for evacuation of cargo through Mobile Rubber Tyred electrically operated hopper at Coastal berth.

| Sl. No. | Commodity | Rate per in MT in Rupees. | |
|---------|----------------|---------------------------|---------|
| | | Foreign | Coastal |
| 1 | Dry bulk Cargo | 16.41 | 9.85 |

Tariff for hopper proposed above is considering the tariff for Hopper fixed by Authority vide order dated 16.12.2016 applying indexation at 1.20% over the base rate of 9.73 as declared by the Authority vide letter dated 31.3.2017 with respect to clause II(xiii) of the order dated 16.12.2016.

3.2. **Performance Standards:**

- (i). Licensee shall unconditionally guarantee the minimum guarantee availability of 90% each per harbour mobile crane and each per hopper per month. The availability

shall be calculated for the each and every equipment (Harbour mobile crane/ hopper) separately.

- (ii). The Licensee shall handle minimum cargo as detailed below per day per HMC or tonnage of proportionate hours of actual working / proportionate number of HMC/hopper deployed.

| | | |
|----|---|--|
| 1. | For dry bulk cargo | 3528 Metric Tons per day (average)/ per day per crane / per hopper |
| 2. | <u>For Break Bulk Cargo</u> Steel and bagged cargo | 1764 Metric Tons per day (average)/ per day per crane. |

Efficiency is calculated on Prorata basis with respect to actual hours of working.

3.3. The proposal has the approval of the Board of Trustees of VOCPT.

4. In accordance with the consultation process prescribed, a copy of the VOCPT proposal dated 28 July 2017 was circulated to the users/ user organisations / prospective bidders (as suggested by the VOCPT) seeking their comments. The International Cargo Terminals and Infrastructure Pvt. Ltd. (ICTIPL) vide its letter dated 14 August 2017 has furnished its comments on the subject proposal. A copy of the comments received from ICTIPL was forwarded to the VOCPT vide our letter dated 24 August 2017. The VOCPT vide its email dated 7 September 2017 has furnished its reply.

5. Based on the preliminary scrutiny of the proposal, it was observed that there are certain information gaps / deficiency in the proposal of VOCPT. The VOCPT, was, therefore, vide our letter dated 16 August 2017 requested to furnish requisite information / clarification by 28 August 2017. The VOCPT has furnished additional information / clarification vide its letter dated 7 September 2017.

6. A joint hearing in this case was held on 10 August 2017 at the VOCPT premises. The VOCPT made a brief power point presentation of its proposal. At the joint hearing, the VOCPT and the concerned users/ organisation bodies / prospective bidders have made their submissions.

7. When the case was in advanced stage of finalisation, the VOCPT vide its email dated 27 September 2017 has stated that the said project is at present proposed to be shelved since major infrastructure changes (including equipment deployment) are being envisaged in Port. In this circumstance, the comments received from the Seaport Logistics Pvt. Ltd. (SLPL) was not forwarded to VOCPT since the exercise would become infructuous.

8. 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 parties will be sent separately to the relevant parties. These details will also be made available at our website <http://tariffauthority.gov.in>.

9. Subsequently, the VOCPT vide its letter dated 15 December 2017 requested that the proposal submitted by port for fixation of tariff for the said project may kindly be dropped.

10. Accordingly, this Authority decides to close the tariff case for fixation of reference tariff for the Mechanization of Coastal berth by Supply, Operation, Maintenance of 42 Tons Capacity HMC and Two numbers of Rubber tyred electrically operated Mobile Hoppers on license basis for a period of ten years as dropped by the VOCPT.

(T.S. Balasubramanian)
Member (Finance)