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TARIFF AUTHORITY FOR MAJOR PORTS

G. No. : 10  
New Delhi, 18 January 2006

NOTIFICATION

In exercise of the powers conferred by Sections 48 and 49 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby approves the proposal of Tuticorin Port Trust for levy of special charges for relieving congestion of dust generating bulk cargo vessels, as in the Order appended hereto.

(A.L. Bongirwar)
Chairman
This case relates to a proposal received from the Tuticorin Port Trust (TPT) for levy of special charges for relieving congestion of dust generating bulk cargo vessels.

2.1. The main points made by TPT in its proposal are summarised below:

(i). It has three deep draught berths and five shallow draught berths for handling general cargo vessels. In order to control air pollution arising out of handling of certain cargoes, viz. Copper Concentrate, Rock Phosphate, Industrial Coal, Sulphur, Fertilisers, Coke, etc., the port follows the practice of earmarking deep draught berths III and IV for these cargoes. Berth nos. I, II, V, VI and VIII (third deep draught berth) are utilised for handling other general cargoes.

(ii). There is occasional bunching of deep draught/ dust-generating cargo vessels leading to avoidable congestion in the port. The users have not been able to clean the general cargo berth after handling of dust generating cargoes to port’s satisfaction because of the vast backup area, especially in berth nos. V, VI and VIII.

(iii). Allotment of these berths for dust generating cargo carriers has also not been very transparent besides misuse of the facility of shifting the vessels for port’s convenience.

(iv). The TPT held a meeting with the users on 29 April 2005 and after detailed discussions, it has been mutually agreed to incorporate the following provisions in the Scale of Rates:

“(a). Berth no. VIII will be generally earmarked only for cargoes other than dust-generating cargo like Copper Concentrate, Rock Phosphate, Industrial Coal, Sulphur, Fertilisers, Coke, etc.

(b). Berth nos. I, II, V and VI will not be normally utilised for handling dust-generating cargo.

(c). However, in times of congestion, MOP/ SOP and Rock Phosphate will be allowed to be handled in berth no. VIII subject to the following conditions:

(i). The vessels seeking berthing in berth nos. III/ IV from where the working vessel will be shifted to berth VIII will pay shifting charges calculated at 33% of the pilotage charges as per the SOR. Additionally, they will also pay cleaning charges at the rate of Re.1/- per metric tonne of cargo discharged at berth no. VIII.

(ii). If the vessel next in queue at the anchorage carries MOP/ SOP/ Rock Phosphate and berth nos. III and IV are already occupied, the vessel can be directly berthed at berth no. VIII, on payment of deemed shifting charges at 33% of the pilotage in addition to pilotage generally payable by the vessel. Additionally, cleaning charges Re.1/- per tonne of cargo discharged at berth no. VIII shall be paid by the vessel.

(d). In the event of berth no. VIII is also occupied, working vessels discharging MOP/ SOP/ Rock Phosphate at berth nos. III and IV, after lightening, can be shifted to berth nos. V and VI for direct loading to accommodate the incoming deep draft vessels in berth nos. III and IV, provided shifting
charges and cleaning charges as mentioned above are paid by the incoming vessel.

(ii). If the vessel next in queue at the anchorage carries MOP/ SOP/ Rock Phosphate and berths nos. III and IV are already occupied, the vessel can be directly berthed at berth nos. V / VI on payment of deemed shifting charges at 33% of the Pilotage, in addition to pilotage generally payable by the vessel. Additionally, cleaning charges at Re.1/- per tonne on cargo discharged at berth nos. V / VI shall also be paid by the vessel.

(e). Copper Concentrate will be allowed to be handled in berth nos. V / VI for direct loading in extraordinary circumstances only, with the approval of the Chairman, if all the above measures for relieving congestion are not productive, on payment of shifting/ deemed shifting and cleaning charges as mentioned above.”

2.2. The TPT has pointed out that the existing provision in its Scale of Rates covers shifting relating to Coal Jetties and Oil Jetty in North Break Water and VOC I to IV berths, V and VI berths. As the berth nos. VII and VIII (deep draft berths) have become fully operational, there are instances of shifting to and from these berths. The anomaly in shifting charges will be set aright during the next general revision of tariff. The instant proposal is the first step in equating the shifting charges from berths nos. III / IV to Berth no. VIII to the shifting charges between the South and North Break waters and applying the same rate (actual or deemed) to shifting of working vessels with dust generating cargo to the other berths on the South Break waters in times of congestion.

2.3. The TPT has also informed that Tuticorin Steamer Agents Association (TSAA) has agreed to the following conditionalities on an ad-hoc basis:

(i). Rock phosphate and MOP vessels will be berthed at berth no. VIII on payment of shifting charges equivalent to 33% of pilotage fee, subject to availability of the said berth.

(ii). Even if MOP and Rock phosphate vessels are berthed at berth no. VIII, it will be considered as deemed shifting and such vessels have to pay 33% of the pilotage fee as shifting charges.

(iii). Cleaning charges at Re.1/- per tonne will have to be paid by the consignee for the said vessels for the quantity of cargo discharged at berth no. VIII.

2.4. In view of mutual agreement between the port and the users on the ad-hoc arrangement, the TPT has requested this Authority to approve the proposal on an ad-hoc measure with effect from 30 April 2005 till the impending revision of its SOR.

3.1. In accordance with the consultative procedure prescribed, a copy of the proposal was forwarded to the concerned user organisations seeking their comments. The comments received from the users / user organisations were forwarded to TPT as feedback information.

3.2. The TPT has also furnished its response to the comments of the various users/user organisations.

4. Based on a preliminary scrutiny of the proposal, the TPT was requested to furnish additional information / clarification on various points. The queries raised and the response of the TPT thereon is tabulated below:

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<th>Sl.No.</th>
<th>Queries raised by us</th>
<th>Response of TPT</th>
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<td>(i).</td>
<td>The reasons for introducing the additional charge for cleaning the berth may be explained in the light of the fact that the dust generating cargo is traditionally being handled by the TPT and there is no</td>
<td>It is the prerogative of the port to decide as to which cargo should be handled in each berth depending upon available infrastructure, pollution control etc. For instance, coal can only be handled in coal jetties or berths III and IV, which</td>
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distinction in the existing Scale of Rates between the dust generating and other cargo. The proposed levy may be justified with reference to the cost of additional service provided for dust generating cargo as against the other cargo items.

have railway siding facilities. VCM can only be handled in shallow berth. Such practices have been in existence in the port for three decades now. The proposed levy is not a revenue generating measure but is aimed at disciplining the arrival of ships carrying certain cargoes and helping the users to avoid pre-berthing detention by deviating from the procedures followed by the port. During April, May 2005 a sum of only Rs.5.75 lakhs has been collected as ‘deemed’ shifting charges which is very meagre compared to the demurrage charges on account of detention at anchorage due to want of a berth. The ‘Additional service’ rendered is by way of deviation from set practices, handling dust generating cargoes in berths where the possibility of air-pollution is greater etc.

(ii). The basis of proposing the shifting charge @ 33.33% of the pilotage fee may be explained.

At present 25% of pilotage fees as per schedule is collected if a vessel is shifted between berths I to VI or between Coal Jetty I & II and Oil Jetty. 50% of pilotage fee as per schedule is collected if shifting is made from Coal Jetty I & II and Oil Jetty to Berth I to VI and vice versa. As these rates were fixed, based on the distance between berths / jetties, the same analogy has been applied. Though 50% of the pilotage fees would have been appropriate, a rate of 33% of pilotage fees as shifting charges and Re.1/- per MT as cleaning charges was agreed upon, based on the request from the Association.

(iii). The additional income to be generated on account of the proposed levy may be indicated.

During 2004-05, 143 vessels carrying dry bulk cargoes were handled in the port. The additional income to be generated on account of shifting charges would be meagre. It is reiterated that the additional levy is not a revenue generating measure but aimed at relieving congestion in a transparent manner.

(iv). Confirm whether the capital dredging levy will apply to the proposed shifting charges. If so, the financial implication on account of this levy may be furnished.

The port has not been applying capital dredging levy on shifting charges and this will apply to deemed shifting charges too.

(v). The reasons for proposing deemed shifting charges in case where the berths III and IV are already occupied and the vessel in queue carrying MOP/SOP/Rock Phosphate is directly berthed at berth VIII may be explained.

If the vessel next in queue at the anchorage carries MOP / SOP / Rock Phosphate, and berth nos. III and IV are already occupied, the vessel can be directly berthed at berth no. VIII (which is not earmarked) for handling of such cargoes on payment of deemed shifting
Generally, charges should be levied for the actual services rendered and not towards any notional / deemed services rendered. Charges at 33% of the pilotage in addition to pilotage generally payable by the vessel. This addition charge is levied with a view to collect same amount whether it is berthed directly in berth no. VIII or shifted to VIII berth from other berths. Additionally, cleaning charges at Re.1/- per tonne discharged at berth no. VIII shall also be paid by the vessel. This is fixed as a measure for relieving congestion as per clause No.1.10 of the revised tariff guidelines.

Vessels of Copper Concentrate are generally handled at Berth Nos. III & IV, however, such vessels will be allowed to be handled in Berth Nos. V / VI for direct loading, if all the measures for relieving congestion are not productive, in extraordinary circumstances with the approval of Chairman. This has been provided to assist M/s. Sterlite Copper, who is a captive user of the port.

5.1 A joint hearing in this case was held on 09 December 2005 at TPT premises. At the joint hearing, the TPT and the concerned users made their submissions.

5.2 At the joint hearing, the TPT furnished a photo copy of a communication received from its Resident Audit Officer raising some issue about levying only 33% of the pilotage fees as shifting charges instead of collecting 100% ousting priority charge. The TPT has clarified that collection of ousting priority charges is under different circumstances as prescribed in its SOR whereas the subject proposal is to collect shifting charges and cleaning charges from vessels carrying dust generating bulk cargo to relieve congestion due to bunching of vessels. It has clarified that the proposed provision is not intended to run counter to the provisions of collecting ousting priority charges.

6. 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 concerned parties will be sent separately to the relevant parties. These details are also available at our website [http://tariffauthority.gov.in](http://tariffauthority.gov.in)

7. With reference to the totality of the information collected during the processing of this case, the following position emerges:

(i). This proposal stems from the necessity to ease congestion arising at the Tuticorin port due to bunching of deep draft / dust generating cargo vessels. The port has pointed out that the two deep draft berths i.e. nos. III and IV are earmarked to handle dry dusty bulk cargo like Copper Concentrate Rock Phosphate, Industrial Coal, Sulphur Fertilizer, Coke, etc.,. The dust generating cargo vessels are not handled at other berths except III and IV as a policy decision of the port due to emission of dust by such vessels creating air pollution. However, bunching of vessels necessitates handling dust generating cargo at other berths or to shift a working vessel to other berth to accommodate such vessels. The TPT has mentioned that the proposal is to bring in more transparency and to restrict any unguided discretion exercised by port officials in present system of shifting of vessels.

(ii). The Indian Chamber of Commerce and Industry has demanded that such dust generating cargo may continue to be handled at any other berths at the time of congestion without levy of any additional charge. Some of the users have suggested that vessels carrying Sulphur,
Copper Concentrate and Coal may be handled only in berth nos. III and IV whereas other cargoes like Rock Phosphate, MOP, Urea etc., may be handled at other berths.

In this context as rightly stated by the TPT, it is for the port to decide which cargo should be handled at which berth depending on the infrastructure available, pollution control, etc. Hence the suggestion of the users cannot be fully admitted ignoring the operational plans devised by the Port Trust.

It is relevant here to mention that the revised tariff guidelines specify that Pilotage fee is composite fee including one inward and one outward movement, with required number of tugs / launches of adequate capacity and shifting/s of vessels for ‘port convenience’. Shifting at the request of vessels will attract separate shifting charges.

The TPT earlier provided this service without any additional levy since there was no specific provision in its Scale of Rates in this regard. But, shifting of vessels and cleaning of wharves involve cost to the port and such services cannot be provided free of cost in perpetuity unless cross-subsidisation is restorted to. It is significant to note that the proposed movement of vessels to accommodate the dust generating cargo vessels against levy of shifting charge will benefit the vessel in terms of reducing the pre-berthing detention of vessel which is reported to be high at the times of congestion or bunching of vessels. Viewed from this perspective, the demand made by the ICCI to offer the shifting service free of cost cannot be conceded.

(iii). As regards the proposed levy of 33% of pilotage fee as shifting charge, the TPT has clarified that present shifting charge at 25% of pilotage fees for shifting of a vessel between berth nos. I to VI or between Coal Jetty I & II and Oil Jetty and 50% of pilotage fee for shifting of a vessel from Coal Jetty I & II and Oil Jetty to Berth nos. I to VI and vice versa has been fixed based on the distance between berths / jetties. On the same analogy, the shifting charge for the various movements of vessel proposed by it should have been 50% of the pilotage fees. Conceding to the earlier request from the users organisation, the TPT has agreed to propose shifting charge at of 33% of pilotage fees and Re.1/- per MT as cleaning charges. Even though this arrangement can continue for time being, the TPT should propose separate shifting charge based on cost of providing the services without linking it with pilotage fees.

(iv). The proposed provision prescribes that in case berth nos. III and IV are already occupied, the next vessel in queue carrying MOP/SOP/Rock Phosphate can be directly berthed at berth nos. V, VI, or VIII against payment of deemed shifting charge at 33% of pilotage fee. Generally, charges should be levied for the actual service rendered and not towards notional/ deemed service.

The TPT has, however, argued that the deemed shifting is also a facility offered to the users to handle dusty cargo at berth nos. V, VI, or VIII which are actually not earmarked for handling such cargo. If not, a working vessel at berth nos. III/ IV will have to be shifted to other berths to accommodate the incoming vessel containing dusty cargo in which case it will have to pay the said shifting charge. The additional charge is levied with a view to collect the same amount whether it is berthed directly at berth nos. VIII, V or VI or shifted to the respective berths. In effect, the notional levy is to maintain equity between the directly berthed vessel and the vessel shifted from some other berth.

Since most of the users i.e. Tuticorin Steamer Agents Association (TSAA) and the Tuticorin Custom House Agents Association (TCHAA) had in principle given their mutual consent to the proposed tariff arrangement and also recognising that it is already been implemented as an ad-hoc measure for the last seven months to curb congestion, the proposed provision for levy of shifting charge is approved.

(v). The Tuticorin Chamber of Commerce and Industry (TCCI) has sought clarification whether coal is to be classified as dust generating cargo for the purpose of this levy. In this regard the TPT has clarified that coal handled at Coal Jetty will not be covered in the proposal
under consideration since this levy is only with reference to on dust generating cargo handled in berths other than the earmarked ones.

(vi). The TSAA and the TCHAA were of the opinion that the proposed tariff arrangement is only to relieve the temporary congestion and should not be a permanent levy. It is relevant to mention that if this suggestion is considered, it may again lead to congestion and misuse of the facility once the levy is withdrawn. As rightly stated by the TPT, there has to be a permanent mechanism to bring in transparency in shifting of vessels.

Additional income from the levy reported by the TPT for last seven months of its implementation is at the level of Rs.19.6 lakhs due to shifting charge and Rs.3.06 lakhs from pollution levy. It is thus clear that the proposed tariff arrangement is not a revenue generating measure but is aimed to streamline the berthing arrangement in a transparent manner. That being so, this Authority is inclined to insert the proposed provisions in the Scale of Rates of the TPT.

(vii). The TPT in its initial proposal had proposed berthing of copper concentrate vessels at berth nos. V or VI for direct loading in special circumstances subject to certain conditions. Subsequently, in the joint hearing, the TPT has submitted that the said provision is infructuous in view of directive issued by the Tamil Nadu Pollution Control Board to handle vessels carrying Copper Concentrate only at berth nos. III and IV. That being so, the said provision included in its initial proposal is not found to be relevant and is treated as withdrawn.

(viii). As stated earlier, Re.1 PMT has been proposed as cleaning charge on quantum of dusty cargo discharged from the respective berths in addition to the proposed levy of shifting charge. Similar levy is approved in case of some other major port trusts also. Further, it is in conformity with the 'Polluters pay' principle.

Since the proposed rate is a mutually agreed one, this Authority approves the proposed cleaning charge at Re.1/- PMT for the dusty cargo discharged from the berths.

(ix). In the instant case, the TPT filed its proposal in May 2005 and also simultaneously implemented the proposed tariff arrangement as an ad-hoc measure. The revised tariff guidelines allows the port to operate the proposed tariff as an ad hoc rate provided it is derived based on existing notified tariffs for comparable services/cargo; and, is mutually agreed upon by the concerned users. The TPT has admitted that the proposed rate of 33% of pilotage fee as shifting charge was derived based on the shifting charges prescribed in its SOR for other movements of vessels between the berths and was based on mutual consensus obtained from the concerned users. In view of the above position, and also recognising that the approved tariff is at the level proposed by the TPT, this Authority as per clause 2.17.4 of the revised tariff guidelines recognises and ratifies the tariff levied by the TPT from 30 April 2005 till the date of the implementation of the Order. It is clear that this is as per guidelines in view of agreement between users and port and should not be interpreted as retrospective approval. The amendments approved will also be reviewed alongwith the general review of the Scale of Rates of TPT, which will fall due shortly.

8. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves clauses (a) to (d) in para 2.1 (iv) as proposed by the TPT. These conditionalities are accordingly inserted in the Scale of Rates of the TPT as Sl. No. 9 in General Notes relating to Schedule 2.2.1 and 2.2.2.

(A.L. Bongirwar)
Chairman
Summary of the comments received from the port users / different user organisations and arguments made in this case during the joint hearing before the Authority

F. No. TAMP/35/2005 – TPT
- Proposal from the Tuticorin Port Trust for amending its scale of rates i.e. providing of levy of special charges for relieving congestion of dust generating bulk cargo vessels.

1. THE COMMENTS RECEIVED FROM THE PORT USERS / REPRESENTATIVE BODIES OF PORT USERS ARE SUMMARISED BELOW:

The Tuticorin Steamer Agents’ Association (TSAA)
(i). The collection of shifting charges at 33% of the pilotage charges and the cleaning charges at the rate of Re.1/- per metric tonne of cargo discharged at berth No. VIII, was agreed by the Association, only on an ad-hoc basis with a view to ease out the congestion during the month of April 2005. This levy cannot be stretched as a permanent measure or even till the impending revision of Scale of Rates as suggested by the port.

(ii). The TAMP should clearly define the Shifting of vessels and Deemed shifting of vessels. Also clarify whether it is open for any vessel to opt for one time shifting to another berth within the basin without any additional payment.

Tuticorin Custom House Agents’ Association (TCHAA)
(I). IT HAS REITERATED THE COMMENTS MADE BY TSAA.

Southern Petrochemical Industries Corporation Limited (SPIC)
(I). PROPOSED SHIFTING CHARGES CALCULATED AT 33% OF THE PILOTAGE CHARGES IS ON THE HIGHER SIDE.

(II). GEARLESS VESSELS BERTHED IN VOC II OR IV SHOULD NOT BE SHIFTED.

(III). IN CASE VESSEL IS SHIFTED TO ADDITIONAL BERTH, DUMPING OF PRODUCT SHOULD BE PERMITTED TO OFFSET THE TIME LOST.

(IV). IN CASE OF A VESSEL GETTING BERTHE D DIRECTLY ON BERTH NO. VIII, ADDITIONAL PILOTAGE FEE AS SHIFTING CHARGES SHALL NOT BE COLLECTED.

Tuticorin Chamber of Commerce & Industry (TCCI)
(i). It is not clear whether coal is also classified as a dust generating cargo as the word “etc” is used.

(ii). If it is not included; the same may be included as the largest dust generating article is molecular carbon emanating from un-burnt coal.

Indian Chamber of Commerce & Industry (ICCI)
(i). It is not an uncommon practice at the Tuticorin port to handle vessels with dust generating cargoes like MOP, Rock Phosphate, Copper Concentrates, in berth Nos. I, II V, VI and VIII,
at times of congestion at deep draft berths III & IV. This practice should be carried out, without burdening the trade with any additional costs as proposed.

(ii). In the interest of the trade, it is suggested that the vessels with dust generating cargoes may be handled at other berths as well, whenever there is congestion for dust generating bulk cargo vessels in port without levy of any special charges as done before.

**Darangadara Chemical Works Limited (DCW)**

(i). The proposal raised by the port for levy of special charges for relieving of congestion of dust generating bulk cargo vessels is genuine and reasonable. But these charges have to be levied and collected only from the carriers and importer of bulk (dusty) cargoes.

(ii). Similar charges are already collected by Visakhapatnam Port. They have arranged water sprinklers at coal handling areas and suppressed the dust flying in the port and surrounding areas.

(iii). The proposal may be kept in abeyance by the Authority atleast for the next two years and thereafter suitable decision may be taken considering the pros and cons then prevailing.

**All India Chamber of Commerce & Industries (AICCI)**

(I). IT HAS REITERATED THE COMMENTS MADE BY TSAA.

2. Comments received from the users were forwarded to the TPT as feedback information / comments. The TPT has responded on the comments of the user organisations. The main points are summarised below:

**On the comments of the Tuticorin Steamer Agents’ Association (TSAA) and Tuticorin Custom House Agents’ Association (TCHAA).**

(i). “Shifting” means all acts of shifting which excludes inward and outward movement connected with pilotage. Turning around of a vessel within berth shall also be considered as shifting.

(ii). If the vessel next in queue at the anchorage carries MOP/SOP/Rock Phosphate and berth nos. III and IV (specifically earmarked for such cargo) are already occupied, the vessel can be directly berthed at berth nos. V/VI/VIII by paying the deemed shifting charges. In case the vessel is directly berthed at berth no. VIII which is not earmarked for handling of such cargoes, then the vessel has to pay deemed shifting charges at 33% of the pilotage in addition to pilotage generally payable by the vessel, with a view to collect same amount whether it is berthed directly in berth no. VIII or shifted to berth no. VIII from other berths. Additionally, cleaning charges at Re.1/- per tonne discharged at berth no. VIII shall also be paid. This is fixed as a measure for relieving congestion as per clause No.2.10 of the revised tariff guidelines.

(iii). As per Clause No.6.4 of the revised guidelines dated 31 March 2005, Pilotage-cum-towage fee will continue to be composite and shall include one inward and one outward movement, with required number of tugs / launches of adequate capacity and shifting(s) of vessels for
‘port convenience’. Shifting at the request of vessels will attract separate shifting charges. Hence, shifting will not be free if done at the user’s request.

**On the comments of Southern Petrochemical Industries Corporation Limited (SPIC)**

(i). At present 25% of the applicable pilotage fees is collected if a vessel is shifted between berths I to VI or between Coal Jetty I & II and Oil Jetty and 50% of pilotage fee is collected if shifting is made from Coal Jetty I and II and Oil Jetty to Berth Nos. I and IV and vice versa. The existing rates were fixed based on the distance between berths / jetties and hence the same criteria has been applied. Though 50% of the pilotage fees would have been appropriate, a rate of 33% of pilotage fees as shifting charges and Re.1/- per MT as cleaning charges was agreed upon based on the request from the Steamer Agents Association.

(ii). Generally gearless vessels are not shifted to any other berths.

(iii). In order to control air pollution arising out of handling of certain cargoes, viz. Copper Concentrate, Rock Phosphate, Industrial Coal, Sulphur, Fertilisers, Coke, etc., the port follows the practice of earmarking deep draught (10.7 m) berths III and IV for these cargoes. They will be berthed at V/VI/VIII on payment of deemed shifting charges at 33% of the pilotage in addition to pilotage generally payable by the vessel. Additionally, cleaning charges at Re.1/- per tonne discharged at these berths shall also be paid by the vessel. The users have not been able to clean the general cargo berths after handling of dust generating cargoes to port’s satisfaction. Hence the users cannot be permitted to dump the product.

(iv). Apart from this, it has reiterated its comments made on the comments of the Tuticorin Steamer Agents Association (TSAA).

**On the comments of Tuticorin Chamber of Commerce & Industry (TCCI)**

(i). Present proposal is to levy cleaning charges on dust generating cargo handled in berths other than the earmarked ones. Coal handled at Coal Jetty will not be covered in the proposal under consideration eventhough coal is a dust generating cargo.

**On the comments of Indian Chamber of Commerce & Industry (ICCI)**

(i). It has reiterated its point made on the comments of SPIC. In addition to that, it has clarified that the proposed levy is not a revenue generating measure but is aimed at disciplining the arrival of ships carrying certain cargoes and helping the users to avoid pre-berthing detention.

3.1. A joint hearing in this case was held on 9 December 2005 at the TPT premises. At the joint hearing, the following submissions were made:

**The Tuticorin Port Trust**
(i). We have only two deep draft berths of 10.7 mtrs to handle dry bulk dusty cargo. At times, there is congestion due to bunching of vessels.

(ii). When these vessels are handled at other berths, there is lot of pollution and shifting of vessel is also involved. Therefore, this proposal.

(iii). We have discussed this proposal with TSAA and the agreed proposal is presented. The proposed arrangement is already implemented.

(iv). The policy decision was not to berth dusty cargo vessels at berths other than III & IV. But such berthing happened in few cases and the vessels which were to pay ‘shifting charges’ did not pay such charges because it was taken as shifting on port’s account. There was no transparency in such shifting.

(v). We have held discussion with all major users and TSAA. The arrangement agreed was not a one time measure. The intention is to put a permanent mechanism in place.

(vi). ‘Deemed shifting’ comes as a facility to users. If not, there would not be equity. Otherwise, we have to essentially accommodate the incoming vessels in two berths.

(vii). It is not a revenue generating measure. This charge has yielded revenue of Rs.19.6 lakhs due to shifting and Rs.3.06 lakhs for pollution levy in the last 7 months.

(viii). Our proposal regarding copper concentrate handling at berth nos.V & VI is infructuous since TN Pollution Control Board has passed an Order directing such vessels to be handled only at berth nos. III & IV. Our Berthing Programme is being modified.

(ix). SC monitoring Committee is about to come out with its directives. We may have to make further amendments.

**Tuticorin Steamer Agents Association (TSAA)**

(i). Our agreement to this levy is only for a temporary period of congestion. It cannot be perpetuated.

(ii). Pilotage includes shifting for port’s convenience. Please do not charge for shifting.

**Indian Chamber of Commerce & Industry (ICCI)**

(i). Congestion is not only due to bunching of vessels. It is basically due to inadequacy of facilities at these two berths. Till such time remedial measures are taken, vessels should be allowed to discharge dirty cargo without any additional payment.

**Tuticorin Custom House Agents’ Association (TCHAA)**

(i). We endorse the views of TSAA and ICCI.

(ii). Collection of a charge alone is not going to contain pollution.

3.2. At the joint hearing, Tuticorin Steamer Agents Association, Indian Chamber of Commerce and Industry and Tuticorin Custom House Agents’ Association, have filed further written submissions reiterating the points made by them earlier. Some of the additional points made by the TSAA are as follows:

(i). Any levy of special charges should be at par with the practice prevailing in the neighbouring Indian ports and should be as per the guidelines for regulation of tariff approved by TAMP.
(ii). No other Indian port is collecting deemed shifting charges and there should not be any special levy at Tuticorin Port. Any collection of charges should only be against services rendered by Tuticorin Port.

(iii). Vessels carrying Sulphur, Copper concentrate and Coal are to be allowed only in berth No. III and IV. Vessels carrying other cargoes like Rock Phosphate, MOP, Urea etc., shall be operated in the other berths. All other Indian ports treat MOP, Urea and Rock phosphate as clean cargo and are allowed handling at any berth.

(iv). As per the new guideline for regulation of tariff as the pilotage includes shifting/s of vessels for port convenience and this has to be implemented without additional collection of payment from the vessel agents.