

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)
Tariff Authority for Major Ports

G No. 170

New Delhi,

09 July 2010

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 ABG Kandla Container Terminal Limited for fixation of charges for providing gangway facility upon berthing of vessels at its terminal at Kandla Port as in the Order appended hereto.

(Rani Jadhav)
Chairperson

Tariff Authority for Major Ports
Case No. TAMP/28/2009-ABGKCTL

ABG Kandla Container Terminal Limited - - -

Applicant

ORDER

(Passed on this 16th day of June 2010)

This case relates to the proposal dated 30 July 2009 received from the ABG Kandla Container Terminal Limited (ABGKCTL) for fixation of charges for providing gangway facility upon berthing of vessels at its terminal in Kandla Port.

2. The existing Scale of Rates of the ABGKCTL was approved by this Authority vide Order No.TAMP/43/2006-ABGKCTL and notified on 26 October 2007. The Scale of Rates is valid till November 2010.

3. The main points made by the ABGKCTL in the proposal are as follows:

- (i). TAMP in the existing Scale of Rates has approved charges for placing the shore gangway by deploying the terminal's container handling equipment, when requested by the vessel.
- (ii). In the initial proposal, charges for providing gangway to the vessels was not included as the vessel agents were expected to provide the service.
- (iii). Kandla Port is a tidal port and the hydraulic gangway available at the vessel cannot be utilized round the clock for shore access as the possibility of gangway getting damaged is bright due to drumming of gangway structure onto wharf during low waters. Therefore, the vessels have no choice but to utilize the shore gangway for human movement to and from the vessel.
- (iv). So far, at the Kandla Port, shore gangway was being arranged by the vessel operators/ agents from the suppliers. Due to unsatisfactory services being provided by the current supplier, vessel agents are requesting the terminal to provide the service as part of terminal services. A copy of the request received from vessel operators has been furnished alongwith the proposal.
- (v). The gangway services are very much covered under Major Port Trust Act 1963 and there is no ambiguity about considering this service as part of terminal services.
- (vi). The rate prescribed in container terminals in the vicinity, viz. Mundra Port SEZ Container Terminal and Mundra International Container Terminal (MICT) is USD 100 per day for providing gangway services. .
- (vii). In this backdrop, the ABGKCTL proposes a rate of Rs.50 per hour per gangway or Rs.1000 per calendar day for use of gangway by vessels. This is much lower than the rates charged at the adjoining container terminals. Revenue share will be payable on this revenue at 48.997% to Kandla Port which is taken into account in the rate proposed.

It has stated that the users currently pay Rs.750 per calendar day inclusive of transportation.

- (viii). Annual revenue from this tariff item is expected to be Rs.240,000 on the basis of the latest traffic projections of 20 vessels call per month and the average stay of 24 hours at the port.

4.1. In accordance with the consultative procedures prescribed, the proposal of ABGKCTL was forwarded to Kandla Port Trust (KPT) and the concerned users / user organisations seeking their comments.

4.2. The Kandla Port Steamship Agents Association (KPSAA) the main user association has appreciated in principle the proposal of ABGKCTL for fixation of charges for providing gangway facility and expressed its no objection to the rates proposed. No comments from KPT and other users / user associations consulted in this case are received, despite a reminder.

5.1. The existing Scale of Rates of the ABGKCTL approved by this Authority vide Order dated 12 October 2007 prescribes charges only for using the terminal's equipment for placing the gangway on berthing of vessel at the request of the vessel. The existing SOR do not prescribe charges for providing gangway by the terminal operator as Shore gangway was arranged by vessel agents from suppliers. The proposal filed by the ABGKCTL is in view of the request made by vessel agents seeking the Terminal to provide shore gangway.

5.2. Since there have been no objections received from the Kandla Port Trust or any other user / user association and recognising that the said proposal is at the request of the vessel agents who have endorsed the proposed rate setting up joint hearing in this case is not found necessary.

6. The ABGKCTL has not furnished any cost calculation for the rate proposed. The ABGKCTL has stated that one of adjoining ports collects USD 100 for providing shore gang way. The charge presently being paid by the vessel is reportedly Rs.750 per day including transportation. Recognising that the main user association has endorsed the proposed rates and the service provided will be optional at the request of the users, this Authority is inclined to approve the proposed rate of Rs.50/- per hour per gangway without going into the cost details as the rate is agreed and appears to be reasonable. It is to be clarified that the service to be provided will be optional at the request of the vessel / user and a ceiling rate of Rs.1000/- per day is also prescribed.

7. Accordingly, the following Schedule 1.13. is inserted under Section - I in the existing Scale of Rates of the ABGKCTL:

“1.13. Charges for supply of Gangway:

Rs.50/- per hour subject to a maximum of Rs.1000/- per day per gangway shall be levied for supply of gangway by the ABGKCTL for berthing of vessel at its terminal.

Note:

This will be an optional service to be provided at the request of the concerned user. ”

(Rani Jadhav)
Chairperson