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Tariff Authority for Major Ports

G.No.90

New Delhi,

03 March 2020

NOTIFICATION

In pursuance to the Ministry of Shipping, Government of India, letter No.PD-11033/73/2013-PT(Pt) dated 13 February 2020 and in exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963, the Tariff Authority for Major Ports hereby notifies the uniform procedure for levy of penal berth hire charges/ incentive scheme under the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/35/2016-Misc.

QUORUM

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

ORDER

(Passed on this 20th day of February 2020)

The Ministry of Shipping (MOS) vide its letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 had forwarded the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016. In this regard, we received proposals from 5 Major Ports viz. Kolkata Port Trust (KOPT), New Mangalore Port Trust (NMPT), Cochin Port Trust (COPT), Paradip Port Trust (PPT) and V.O. Chidambaranar Port Trust (VOCPT) for prescription of incentive/ penalty scheme for achievement/ non-achievement of Performance Standards flowing from the Berthing Policy issued by the MOS. The proposals received from the above Ports have been disposed of by this Authority.

2.1. Now, the MOS has forwarded its letter No.PD-11033/73/2013-PT(Pt) dated 13 February 2020 regarding uniform procedure for levying penal berth hire charges. The contents of the said letter of the MOS are as follows:

- (i). The Berthing Policy for Dry Bulk Cargo for Major Ports, 2016 issued by the MOS laid down standardized guidelines for all Major Ports to compute performance norms for different dry bulk commodities. It also recommended penalties and incentive structures tied to the performance norms as part of the overall Berthing Policy. The objective of the performance linked incentive/ disincentive structure is to continuously drive productivity improvements across ports and reward those exceeding the norms.
- (ii). The penal berth hire charges were levied by the VOCPT on ship agents for not achieving the performance norms fixed by the VOCPT for loading/ unloading the commodities. However, the Tuticorin Ship Agents' Association (TSAA) objected to the levy of penal berth hire charges levied by VOCPT on the Ship Agents stating that any penalty or incentive is to be addressed to cargo handling agents like shippers/ stevedores/ receivers who are involved in cargo handling operations. The TSAA represented its case to the MOS and also submitted a representation to the IPA to relieve the agents from the responsibility of paying penal berth hire charges. The MOS requested IPA to look into the matter.
- (iii). The IPA initiated stakeholders consultation with all Major Ports, TAMP, Federation of Ship Agents Association (FEDSAA), Federation of Association of Stevedores (FAS) and Federation of Freight Forwarders Association of India (FFFAI) with a proposal for prescribing responsibility on whom penal berth hire charge are to be imposed. The IPA also formed a small group to look into the matter.
- (iv). The Group, after going through the various inputs received from Ports and other stakeholders finalized its report and submitted to IPA. In the Report, the Group has recommended the following agencies on whom penal berth hire charges for various types of cargo are to be levied.

Type of Cargo Handled	Penal Berth hire charges to be levied on
Mechanized Bulk Berths	Shipping/ Vessel Agents
Conventional Berths handling Dry Bulk/ Break bulk cargo	Stevedoring Agents
Liquid Berths	Shipping/ Vessel Agents

The Group also felt that uniform application of norms cannot be put in place in case of MOPT, NMPT and KOPT where port directly handles moderate volume of

container cargo and localized arrangement are in existence. The Governing Body of IPA has approved the recommendation of the Group.

2.2. Based on the recommendation of the Group constituted by the IPA, the MOS has requested this Authority to notify the uniform procedure as recommended by the IPA for levy of penal berth hire charges for all Major Port Trusts excluding MOPT, NMPT and KOPT appropriately.

3.1. Thus, in pursuance of the MOS letter No.PD-11033/73/2013-PT(Pt) dated 13 February 2020, this Authority prescribes the following uniform procedure to be followed by all the Major Port Trusts except MOPT, NMPT and KOPT for levying penal berth hire charges/ incentive scheme under the Berthing Policy, 2016 :

“The following uniform procedure shall be followed by the Major Port Trusts for levy of penal berth hire charges and grant of incentive under the Berthing Policy, 2016 as per the relevant tariff approved by the Authority.

Type of Cargo Handled	Incentive to be granted and Penal Berth hire charges to be levied on the following agencies
<i>Mechanized Bulk Berths</i>	<i>Shipping/ Vessel Agents</i>
<i>Conventional Berths handling Dry Bulk/ Break bulk cargo</i>	<i>Stevedoring Agents</i>
<i>Liquid Berths</i>	<i>Shipping/ Vessel Agents</i>

3.2. Thus, the Major Port Trusts except MOPT, NMPT and KOPT are directed to amend the relevant tariff Order/ Scale of Rates approved by this Authority, accordingly.

(T.S. Balasubramanian)
Member (Finance)