

SUMMARY OF THE COMMENTS RECEIVED FROM THE MAJOR PORTS / USERS / USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARINGS BEFORE THE AUTHORITY.

TAMP/12/2019-MUC	:	Proposal received from Delhi – Mumbai Industrial Corridor Development Corporation (DMICDC) for approval of levy of Mandatory User Charges (MUC) for DMICDC’s Logistics Data Bank (LDB) project across all the Major Port Trusts and BOT operators operating thereat
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A summary of the comments of the Major Ports/ users/ user organisations and the reply furnished by Delhi – Mumbai Industrial Corridor Development Corporation (DMICDC) thereon is tabulated below:

Sl. No.	Comments received from the Major Ports/ users/ user organisations	Comments of DMICDC thereon
1.	Kolkata Port Trust (KOPT)	
(i).	The rate of ₹.145/- has been fixed by the TAMP recently, therefore, no upward revision at this point can be recommended please.	<p>Existing coverage based out of 3 ports, JNPT, Mundra & Hazira, contribute to approx. 60% of the overall EXIM volume of India. Further addition of ports in the rest of the country contribute to only 30% volume but requires huge capital infrastructural expenditure as compared to the western corridor. Hence, the cost incurred would be much more as compared to the revenues generated.</p> <p>Further, DLDS has been incurring losses in the past three years and as per TAMP notification date 19 Mar 2015, Order dated 13 Feb 2015 (published in G. no. 91, serial no. 2.2.xi paragraph 2), it has been mentioned that this project has a long gestation period which will require at least 10 year to show healthy returns.</p> <p>Moreover, the MUC charged is much more nominal than similar other RFID based Govt. initiatives e.g. the e-seal project. DLDSL also wishes to establish uniformity in the implementation throughout all ports.</p>
2.	New Mangalore Port Trust (NMPT)	
(i).	At the Balance sheet cited at Pg.No.20 and Revenue profit statement submitted at Pg.No.24 & 25, under the head <u>DIRECT COST-RDCE</u> , DMICDC has mentioned the Cost Element as “KIOSK Cost and Electrical cost for deployment of Kiosk” and under the Clause <u>Hardware and FOIS cost</u> also, the Electrical Expense is mentioned for operating the RFID readers and other infrastructure.	<p>The cost element as "KIOSK Cost and Electrical Cost for deployment of Kiosk" is not the electricity charge per unit, because the electricity will be provided by NMPT as per the agreement. However, this cost is for setting up electricity connection in the Kiosk such as wirings, labor, civil work, piping etc. which is not under the obligation of NMPT.</p> <p>Under the clause Hardware and FOIS cost, expenses include cost of materials required for setting and running of the infrastructure at</p>

	In this regard, as per the agreement between DMICDC and NMPT under ARTICLE 6 OBLIGATIONS OF NMPT 6.2(b) Providing space and Electricity for setting up of 2 (two) Kiosks at the terminal is in the scope of NMPT and hence no cost is incurred by DMICDC for electrical charges as mentioned in the proposal.	CFS/ICD, Toll Plazas and other locations apart from Port.
(ii).	There is no mention of Service Charges of 5% of MUC which shall be entitled to be paid to the port on monthly basis. As cited under <u>ARTICLE 7 Service Charges</u> in the Agreement, 5% MUC is payable to the port. The same may be specified in the proposal. (The NMPT has furnished a copy of the extract (Article 6) of the agreement between DMICDC and NMPT.)	DLDSL business plan has been worked out after adjusting revenue of 5% which will be shared as usual with the port terminal operators
3.	Cochin Steamer Agents' Association (CSAA)	
(i).	It is understood that unlike other locations, Kerala have only 4 Tracking points which is located at Container Freight Stations but not in TOLL plazas or ICD's as in other states.	Paliyekkara Toll Plaza (NH 544), Kumbalam Toll (NH 66), Varapuzha Bridge (NH 66) etc. are some examples where we plan to implement in the next phases. Apart from the above, we have also requested the trade bodies along with Cochin Port Trust and IGTPPL for scouting some major industrial hubs/SEZ etc. where readers can be installed subject to availability of security and electricity.
(ii).	The Customers are not completely availing the benefits as they are not aware of how to use these tracking facilities	We are continuously making efforts through multi-media initiatives to educate the customers and other stakeholders. LDB tracking link has been incorporated on the ICEGATE, JNPT, Mundra port website. Since we have just started in the location, we welcome suggestions to enhance the coverage. Also, DLDS is very keen to increase awareness through print, digital and social media for extensive coverage for the benefit of the trade.
(iii).	Most of the customers are not educated on the concept as there was no awareness programs conducted for the same and they are blindly paying the amount as it is mandatory without knowing the benefits.	
(iv).	Cochin Port has high vessel handling charges when compared to the other ports. So the cost burden on the trade is huge and the MUC charges of ₹145/-+tax is adding up the cost of the users. From the proposal we could understand that there will be an increase of ₹10/- per year to the MUC charges. Therefore, in order to balance the costs, it is requested to reduce the cost, if possible or keep it stagnant at ₹145/-+tax without further increase.	Existing coverage based out of 3 ports, JNPT, Mundra & Hazira, contribute to approx. 60% of the overall EXIM volume of India. Further addition of ports in the rest of the country contributes to only 30% volume but requires huge capital infrastructural expenditure as compared to the western corridor. Hence, the cost incurred would be much more as compared to the revenues generated. Further, DLDS has been incurring losses in the past three years and the MUC charged is much more nominal than similar other RFID based Govt. initiatives e.g. the e-seal project.

4.	Coimbatore Customs and Steamer Agents' Association (CCSAA)	
(i).	<p>On the one side, Government of India is giving importance for REDUCING THE TRANSACTION COST and focusing on that with various measures and on the other side, charges from Custodians, Liners and statutory levies from TOLL charges are continuously going up adding cost to the importers and exporters and finally agents are made answerable to customers.</p> <p>Though the need of facilitation is mandatory for the trade to have continuous growth in earning foreign exchange for the country, considering that various charges and tax levies are already put on the trade, this MUC levy implementation may kindly be avoided on the trade.</p>	<p>The wholesome benefit of LDB is "One Nation-One Track & Trace" service from port till the ICD on a common platform wherein exporter-importer do not have to rely on multiple entities for an end to end trail. Further, visibility in the high-seas till the next port of call has been added.</p> <p>The transparency and visibility created by LDB analytics report has already resulted in substantial reduction in dwell times in the western corridor. This reduction in overall lead-time has resulted in substantial cost savings. Decrease in overall lead time for ICD import by 6 days and CFS imports by 2 days has been measured for the JNPT region. Similarly, port dwell times have noted 51% and 21% improvements for import and export cycles respectively.</p> <p>With the new initiatives of the Govt. especially taken by customs logistics division, LDB will be the backbone to provide them the digital infrastructure for container transportation.</p> <p>Importers & Exporters have benefitted due to enhanced efficiency in ICDs, CFSs and Port Operation resulting in faster delivery of consignments. The trade benefits in the longer run due to enhanced efficiency in Port Operations, ICDs, CFSs resulting in faster delivery of consignments and savings in additional transactional costs e.g. container detention, ground rent, storage charges.</p>
5.	Container Shipping Lines Association (CSLA)	
	Vide its e-mail dated 11 February 2019	
(i).	Delhi Mumbai Industrial Corridor Development Corporation's (DMICDC's) role beyond the Delhi Mumbai Industrial Corridor is yet to be known, especially in other ports in India.	<p>Government of India has announced the pan India launch of LDB project on 17th Dec 2017. Further, Government of India is represented by National Industrial Corridor Development and Implementation Trust (NICDIT) which covers all the six corridors of India.</p> <p>LDB is currently functional at 13 Ports, 22 Port Terminals, 120 CFSs and ICDs & 25 Toll Plazas across the country and further plans to give extensive coverage in the next phases.</p>
(ii).	If they wish to levy the Mandatory User Charge (MUC) in these ports for the Logistics Data Bank (LDB) project, they should indicate the services that they intend to offer.	The aim of the project is to create one nation-one track & trace facility. Besides a wholistic analytics report is published for the benefit of the trades and to improve logistics efficiencies. The project provides near real time track & trace facility for containers to all stakeholders.
(iii).	Also, those paying the MUC need to be advised about the benefits and services that would be received against the payment of these charges.	We are continuously making efforts through multiple marketing initiatives to educate customers and other stakeholders. LDB tracking link has been incorporated by JNPT,

		ICEGATE & Mundra Port on their websites. In the new ports, regional advertisements and promotion efforts are being made to propagate the LDB system. Further, DLDS is recording more than 4 lakh container searches per month on the LDB site. The monthly report of performance is also shared with all stakeholders.
(iv).	What would be the value for money proposition? It would be pointless to charge across all major ports, in case there are no additional benefits.	The foremost benefit of LDB "One Nation-One Track & Trace" service from port till the ICD on a common platform wherein exporter-importer do not have to rely on multiple entities for an end to end trail. Further, visibility in the high-seas till the next port of call has been added. The transparency and visibility created by LDB analytics report has already resulted in substantial reduction in dwell times in the western corridor. This reduction in overall lead-time has resulted in substantial cost savings. Decrease in overall lead time for ICD import by 6 days and CFS imports by 2 days has been measured for the JNPT region. Similarly, port dwell times have noted 51% and 21% improvements for import and export cycles respectively. With the new initiatives of the Govt. especially taken by customs logistics division, LDB will be the backbone to provide them the digital infrastructure for container transportation. Further, interaction with the stakeholders will help in identifying additional requirements e.g. customized tracking integration through API directly with ERP/LMS of the exporter-importer Importers & Exporters have benefitted due to enhanced efficiency in ICDs, CFSs and Port Operation resulting in faster delivery of consignments. The trade benefits in the longer run due to enhanced efficiency in Port Operations, ICDs, CFSs resulting in faster delivery of consignments and savings in additional transactional costs e.g. container detention, ground rent, storage charges which offsets the LDB user charges.
	Vide its e-mail dated 22 February 2019	
(v).	Any continuation of levy needs to be justified with certain "value adds", so as to assist in the "ease of doing business" & "bring down the cost of logistics". For instance, the Logistics Data Bank (LDB) website should enable: (a). Shipping Line-wise download of container in/out reports (daily / weekly / monthly & so on) at the Port Terminals / CFSs / ICDs. Also need dwell time reports and other such details.	This feature is being incorporated from the 1st April 2019.

	<p>(b). Currently just tracking of specific containers (number-wise) is possible. That too, since just 25 toll nakas are covered by DMICDC and no coverage exists across large states like U.P., M.P., Punjab, Karnataka, etc., the coverage of this project is rather limited and thus tracking does not happen real-time.</p> <p>(c). Besides, with increased coverage & growth in volumes over a period, economies of scale would come into play and hence the per container cost should reduce rather than increase year on year.</p>	<p>The entire movement of toll plazas was designed based on the port operators. Gradually this coverage is being extended to more toll plazas as well as SEZ, Industrial Hubs, Parking Yards etc.as per feedback received from the trade.</p> <p>Existing coverage based out of 3 ports, JNPT, Mundra & Hazira, contribute to approx. 60% of the overall EXIM volume of India. Further, addition of ports in rest of the country contributes to only 30% volume. This diversification pressure requires huge infrastructural expenditure as compared to the western corridor. Hence, the cost incurred would be much more as compared to the revenues generated and economies of scale would not come into play as suggested at this stage.</p>
6.	Visakha Container Terminal Pvt. Ltd. (VCTPL)	
(i).	The accounting procedure of billing, collection, outstanding, follow ups and remitting back to DMICDC is quite cumbersome apart from keeping track of GST payments and remittance of TDS to statutory authorities.	5% MUC as prescribed by the TAMP in the last notification has only been proposed by DLDSL in the current proposal. Any additional MUC will increase overall charges from stakeholders.
(ii).	Therefore, to meet the spiraling incidental expenses towards collection, accounting, remittance, etc., of Mandatory User Charges apart from providing support for infrastructure set up to DMICDC, the ports/ terminals may be allowed to retain 15% of the MUC being collected by them.	
(iii).	Further, there is need to improve the tracking mechanism of the containers in the hinterland. For example, the toll plaza count as mentioned in point 2.2.5 for Andhra Pradesh is two only. This needs to be increased to have better tracking of the containers while in transit.	
7	Indian Chamber of Commerce and Industry (ICCI)	
(i).	The importer or the exporter is not going to get any benefit out of this logistics data bank services though they are made to pay for these services. This would result in an escalation of our export and import transactional cost, as the shipping lines are passing on the amount charged by M/s DMICDC to the exporters/ Importers.	<p>LDB has helped in providing visibility and transparency, thereby inducing competition among various stakeholders in the supply chain to provide better and efficient services to end-customers i.e. exporter/ importers in the EXIM supply chain.</p> <p>LDB project has contributed immensely in improving container movement visualization across EXIM Supply Chain while highlighting</p>

		<p>bottlenecks through data analytics. Key improvement areas during the course of the project (OND'16 vs OND'18) have been highlighted below (ref port JNPT)</p> <p>Importers & Exporters have benefitted due to efficiency in ICD, CFS, Ports & faster delivering of consignments.</p> <p>The overall reduction in CO2 emission around toll plazas 7%.</p>
(ii).	M/s. DMICDC has not installed the readers at CFS/ICD as well as at the toll gates but started collection the amount in the name as logistics data bank services. This is highly objectionable.	Readers have been installed and functional at 15 CFSs out of 16 CFS and these readers have been installed within a month of implementation of LDB at VOCPT.
(iii).	We could not make out, as to how, the Government of India will make use of this data for any conclusion, since the entire data of import-export documentation as well as the container movement is already available in the ICEGATE operated by CBEC and already the importer-exporter are tracking their Container / Shipping Bill of Entry through the ICEGATE tracking ICES. The Ministry of Shipping can obtain these data from the Ministry of Finance for any data analysis.	ICEGATE tracking is for document tracking of Import and Export Cargo. Only documentation related data is present in the ICEGATE, while the LDB system provides the complete physical tracking of cargo as well. Further, LDB tracking is available throughout life cycle of the container in the country. (From the moment a container enters a port for import till it exits from a port for export, even after the cargo has been de-stuffed from the container).
(iv).	As per the website DLDS Portal the rail movement and road movement are monitored for further development i.e. for infrastructure development and for infrastructure an importer and exporter should not be charge instead port / CONCOR / Private Rail Operators / National Highway Authority of India should be levied for this infrastructural development for the future container traffic growth, since the Government focus is reduction of transactional cost for export and import	While there are major initiatives undertaken by the GOI in terms of physical infrastructure like Delhi Mumbai Industrial Corridor, Dedicated Freight Corridor, National Highways, Multimodal Logistics Hubs etc., Government realizes the importance of leveraging ICT across Indian logistics industry and systems like LDB have an important role to play. LDB integrates with existing IT systems providing end to end tracking interface on a single window.
(v).	The exporters despatch the containers as per their convenience and according to the buyer's requirement as well as the requirement of supply chain logistics.	LDB serves the purpose of tracking of movement of containers during transit and the dwell times derived from the timelines provides an added benefit. Even though dwell times are based on customs clearances, still there are many other aspects to port or CFS performance. Delays caused by these external factors can be brought to light to these authorities who can then plug gaps in their operations. Such improved performance eventually leads to savings in transactional costs by the exporter-importer.
(vi).	On the other hand, the importer is moving the container to the nominated CFS/ICD and negotiation the free day with CFS/ICD and upon his convenience, and on receipt of the document through bank and based on the requirement the cargo for use it will be cleared from CFS/ICD to his manufacturing unit, if the documents are ready to clear through DPD.	

(vii).	With this dynamics of our export and import operations, we wonder as to how the DMICDC logistics data will be useful to the exporter/ importer	
(viii).	Moreover the cost per container of ₹.145+GST is really an exorbitant amount to be finally borne by the exporter, which is an additional and unnecessary burden on them considering the existing situation	The cost of ₹145/- has been calculated based on actual costs, has been examined & certified by TAMP. This is only marginal in view of the huge benefit of visibility on a single platform. Earlier this information was either scattered on different sites owned by different stakeholders like Port, CFSs, ICDs and Railways or not available at all (toll plaza visibility). Because of LDB, this information is now easily available on a single platform nationwide for the entire EXIM supply chain.
(ix).	We, on behalf of our Indian chamber of commerce and Industries strongly object to the adoption of data bank services for the port / Railways / NHAI at our Expense. The logistics data bank will not serve any purpose for the exporters and importer as they can rely on ICEGATE data for any tracking required by them	ICEGATE tracking is for document tracking of Import and Export Cargo. Only documentation related data is present in the ICEGATE, while the LDB system provides the complete physical tracking of cargo as well. Further, LDB tracking is available throughout the life cycle of the container in the country. (From the moment a container enters a port for import till it exits from a port for export, even after the cargo has been de-stuffed from the container).
(x).	If the Logistics data bank Service would be of use to the port authorities the shipping ministry and the government in tracking the movement contained in the industrial corridor or for any Other statistical analysis purpose, they should bear the cost of the Logistics data bank and the importers and exporter should not be burdened with the cost of Logistics Data Bank services by charging on the import, export, and empty container moved.	LDB serves the primary purpose of tracking of movement of containers during transit and the dwell times derived from the timelines provides an added benefit. This project has benefitted all stakeholders in logistics sector. Even though dwell times are based on customs clearances, still there are many other aspects to port or CFS performance. Delays caused by these external factors can be brought to light to these authorities by LDB who can then plug gaps in their operations. Such improved performance eventually leads to savings in transactional costs e.g. Detention, Demurrage, Ground storage by the exporter-importer.
(xi).	The levy is against the principles of ease of doing business advanced by the Government of India and reduction in transaction cost to the exporters and importers. The cost of Logistics Data Bank Services may be borne by the Port Trusts and other authorities who require tracking of the container movement in the industrial corridor. The importers and exporter may kindly be excluded from the purview of payment of data bank service charges by the DMICDC. We request your good selves to take timely action in the matter.	No specific comments furnished by DMICDC.

1.2. The Comments of other Major Port Trusts are given below, upon which there are no specific comments of DMICDC:

1. **Mumbai Port Trust (MBPT)**

The para 4.4 of the TAMP's Order dated 08.06.2018 states that "5% of the total MUC shall be passed on to the Major Port Trusts and the BOT Terminals operating thereat for collecting the MUC". The present proposal is silent on this aspect. Hence, the existing revenue share be maintained in the proposal for Levy of Mandatory User Charge (MUC).

2. **Mormugao Port Trust (MOPT)**

We have no objection on the proposal of DMICDC to increase MUC for the years 2019-20, 2020-21 and 2021-22 at ₹150/-, ₹165/- and ₹175/- respectively.

3. **Cochin Port Trust (COPT)**

Introduction of Logistics Data Bank service at ICTT Vallarpadam by DMICDC has facilitated real time tracking of containers by the trade, which helps in taking appropriate measure for removing any bottleneck in the system. This will help in bringing down logistic cost. Therefore, TAMP may permit recovery of mandatory usage charges, as proposed by DMICDC.

4. **Chennai Port Trust (CHPT)**

DMICDC is a service provider and the beneficiaries are BOT operators handling containers & their users, whereas the Port has no liability over the LDB services rendered by DMICDC. Hence, no comments are offered on levy of MUC as proposed by DMICDC.

1.3. The additional submissions as made by DMICDC while furnishing its comments on the comments of the major ports/ users/ user organisations are as follows:

- (i). DMICDC's Logistics Databank Project (LDB) is one of the Indo-Japanese Partnership projects announced in the joint statement of PMs of both the countries. This project is being implemented with the co-operation of Ministry of Shipping, Ministry of Road Transport and Highways and Ministry of Railways besides the Ministry of Commerce and Industry.
- (ii). On December 18, 2017, the pan India launch of the LDB project was announced by Shri. Suresh Prabhu, Hon'ble Minister of Commerce of Industry, Government of India.
- (iii). This project was conceived for the promotion of "Ease of Doing Business" by cutting costs and time for exporters and importers. The LDB container tracking services was launched at India's largest container handling port terminals of Jawaharlal Nehru Port in 2016.
- (iv). The LDB system is one of its kind which helps in bringing supply chain visibility through a single window using RFID technology and integration with various IT systems of stakeholders.
- (v). For Government of India's ambitious "Make in India" initiative which intends to make India a global powerhouse, improving the current logistics scenario is extremely essential to develop India as a manufacturing hub.

2.1. The first joint hearing on the case in reference was held on 25 February 2019 at the office of this Authority in Mumbai. At the joint hearing, the DSDSL made a brief power point presentation on the proposal. At the joint hearing, the Major Port Trusts / Private Container Terminal Operators, users/ user organisations and the DMICDC have made the following submissions:

DMICDC Logistics Data Services Ltd (DLDSL)

- (i). Briefly explains the framework and operational part of the LDB facility.

- (ii). This facility was initially launched in JNPT and its terminals in July 2016. Thereafter, we have gradually covered other ports and terminals in the country. At present, it is operational at 22 Port Terminals of India and providing Container visibility services for more than 90-95% of India's Container Volume.
- (iii). We have proposed a MUC of ₹155/- per container for the year 2019-20. Similar to our earlier proposal, we have proposed a ₹10/- per container increase for the subsequent two years i.e. ₹165/- and ₹175/- per container for the years 2020-21 and 2021-22 respectively.
- (iv). The proposed MUC is envisaged to be levied on import/ export (laden and empty) containers. The transshipment, coastal and domestic containers is exempted from the levy of the MUC.
- (v). 5% of the proposed MUC would be retained by the port terminals for meeting their operational costs.

CSLA

- (i). On the whole, it is a beneficial project.
- (ii). Considering that there has been increase in the areas covered by the levy, ideally the economies of scale should come to play i.e. with increase in volumes, the rates should reduce.

DLDSL

- (i). It is to be appreciated that initially when the levy was introduced at JNPT, 70% of total container volume was captured by deploying infrastructure at JNPT, which was 30% of overall coverage. Now, to cover the remaining 30% of total container volume, the infrastructure has to be deployed at remaining 70% area. We are proposing a uniform rate across all port terminals.
- (ii). Our aim is not to load costs. Our aim is also not to make profits from the levy of MUC. It is seen that when compared with international levels, the proposed rates are half and it covers ten times the area.

JNPT

- (i). The traffic at JNPT is growing year on year. Our only point is whether JNPT is cross-subsidising others by way of levy of MUC?

DLDSL

- (i). There is no cross subsidization. There are many CFSs operating around JNPT. Same is not the case with other port terminals. The users of JNPT are being benefitted by the facility.

GTIPL

- (i). The system is found to be very useful to us.
- (ii). Some activities in the process involve manual intervention. As an example, putting of RFID tags or removing them has to be done manually. In such an instance, when there is an increase in volumes, it requires deployment of additional manpower, leading to additional cost, which is difficult to meet from 5% levy that we retain.

BMCTPL

- (i). It is requested that we should be allowed to retain 7.5% of the MUC collected by us, instead of the existing 5%.

VCTPL

- (i). Since VCTPL handles low volume of containers, the actual expenses incurred by us is more than 5% of the MUC. We may be allowed to retain 14.5% of the MUC.

DLDSL

- (i). In VCTPL, the levy of MUC has been implemented for the past few months. There will be some teething problems in the beginning. Once the process stabilizes, everything will fall into place. In the meanwhile, we can see what best can be done for VCTPL.
- (ii). The LDB has been implemented for the development of overall trade. Keeping the trade interests into account, it is requested that let the existing practice of retaining of the 5% MUC continue.

NSICT & NSIGT

- (i). The LDB is a good initiative.
- (ii). We feel that there is a duplication in the collection of data. Same sort of information is being sought by JNPT and DMICDC, which needs to be looked.

DLDSL

- (i). We are seeing as to how to overcome this issue.

2.2. The second joint hearing on the case in reference was held on 1 March 2019 at the premises of Chennai Port Trust in Chennai. At the joint hearing, the DLDSL made a brief power point presentation on the proposal. At the joint hearing, the Major Port Trusts / Private Container Terminal Operators, users/ user organisations and the DMICDC have made the following submissions:

DMICDC Logistics Data Services Ltd (DLDSL)

- (i). Briefly explains the framework and operational part of the LDB facility.
- (ii). This facility is a single window transparent and visibility system to track the movement of containers integrated with Shipping lines, Port terminal operators, FOIS, Customs ICE gate, ICD, Toll Plazas, etc. This will benefit the improvement in performance index like Port Dwell time, Transit time, congestion analysis and facilitate ease of operations to the stake holders.
- (iii). This facility was initially launched in JNPT and its terminals in July 2016. Thereafter, we have gradually covered other ports and terminals in the country. At present, it is operational at 22 Port Terminals of India and providing Container visibility services for more than 90-95% of India's Container Volume.
- (iv). We have proposed a MUC of ₹155/- per container for the year 2019-20. Similar to our earlier proposal, we have proposed a ₹10/- per container increase for the subsequent two years i.e. ₹165/- and ₹175/- per container for the years 2020-21 and 2021-22 respectively to cover the cost of inflation, Man Power cost, infrastructure deployment etc.
- (v). The proposed MUC is envisaged to be levied on import/ export (laden and empty) containers. The transshipment, coastal and domestic containers are exempted from the levy of the MUC.
- (vi). 5% of the proposed MUC would be retained by the port terminals for collection and remittance of MUC.

CHENSAA

- (i). We have no issue on tags and tracking of containers. But, empty containers are to be exempted for levy of charges. Tracking of empty containers are being done by customs. Empty containers have no commercial value. The containers which are not tagged with RFID are also charged for which no service was provided. Please refund. Containers with RFID tags are only to be charged. Any additional cost should be justifiable to the trade. We wrote to TAMP on this issue.
- (ii). Shipping Lines incur US\$7 per container to remove the tags at the destination port. For Export containers, RFID tags are to be removed at the load port.
- (iii). The real time tracking is not available to the users. There is duplication of services. Dwell time is reduced not only because of the LDB services.
- (iv). With increase in the areas covered by the levy, ideally the economies of scale should come to play i.e. with increase in volumes, the rates should reduce.

DLDSL

- (i). Earlier we were using reusable magnetic tags. The magnetic tags are being removed and stolen in the transit by the local people for re-sale. With the approval of CSLA, we have introduced one non-recyclable RFID, which has no resale value. Where ever the tags are not available, we are putting the additional tags. Removing tags will have a cost component.
- (ii). Even with Tag or non-Tag to the containers, we are providing good amount of services. The portal provides the customized reporting systems as per the requirement of users.
- (iii). Empty containers constitute 20% of the overall container volume. The proposal is considered taking into account of levy of charges on empty containers also. If, empty containers are to be exempted from the services, the LDB charges per container for remaining containers will have to be raised by 25% of the proposed charges.
- (iv). We are in the Business of tracking of containers for visibility/ transparency. ICE gate requirement is a compliance requirement of Customs.
- (v). It is to be appreciated that initially when the levy was introduced at JNPT, 70% of total container volume was captured by deploying infrastructure at JNPT, which was 30% of overall coverage. Now, to cover the remaining 30% of total container volume, the infrastructure has to be deployed at remaining 70% area. We are proposing a uniform rate across all port terminals.
- (vi). Our aim is not to load costs. Our aim is also not to make profits from the levy of MUC. It is seen that when compared with international levels, the proposed rates are half and it covers ten times the area.
- (vii). We will take up with World Trade Organisations (WTO) about the destination ports charging for removal of tags.

NMPT

- (i). 5% of charges to be retained by the port is less when compared to our direct and indirect expenditure incurred for the services rendered to DMICDC.

CHPT

- (i). Charges are levied on the empty containers, which are not tagged. We consider 5% of charges to be retained by the Port is less.

CITPL

- (i). 5% of charges retained are not sufficient to render the service to DMICDC.

TAMP

- (i). The Port or the terminal may retain only 5% of the charges. Any deficit on this account may be included in the respective Annual Revenue Requirement and may be recovered from the tariff when the General Revision of Scale of Rates takes place.

HDC of KOPT

- (i). Charges are being levied for the container received prior to 2018. Container tracking services are not available for container movement to Durgapur sector and Rewa sector.

KDS of KOPT

- (i). Tariff to be linked with the Dwell time.

DLDSL

- (i). We are improving the visibility of the containers by deploying the RFID readers at the Toll Plazas, where ever necessary. We have 24 / 7 Help service Deck for prompt response. The customer can approach DMICDC customer redressal for the claim of refund, if no service is provided for a container. We will look into it and refund the charges based on strength of the claim.
