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Tariff Authority for Major Ports

G.No. 481 **New Delhi,** **21 December 2017**

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 of Mormugao Port Trust (MOPT) for fixation of upfront tariff for Stevedoring and Shore Handling Operation, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

No. TAMP/67/2016–MOPT

Mormugao 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 14th day of November 2017)

This case relates to the proposal dated 25 October 2016 received from Mormugao Port Trust (MOPT) for fixation of upfront tariff for Stevedoring and Shore Handling Operation at MOPT.

2. The Ministry of Shipping vide its letter no. PD-11033/73/2013-PT (pt) dated 14 June 2016 has forwarded a copy of Stevedoring and Shore Handling Policy for Major Ports, 2016 to be effective from 01 August 2016 .Subsequently, the MOS vide its letter no. PD-11033/73/2013-PT (pt) dated 7 October 2016 read with 17 October 2016 has issued the Guidelines for determination of Upfront Tariff for Stevedoring and Shore Handling Operation authorized by Major Ports as a Policy direction under Section 111 of the Major Port Trusts Act, 1963. The said Guidelines have been notified by the Authority vide Gazette No.407 dated 15 November 2016.

3. A workshop was held on 5 November 2016 on the said Guidelines issued by the MOS Guidelines for Determination of Upfront Tariff for Stevedoring and Shore Handling Operations authorized by Major Port Trusts under Section 42 (3) of the Major Port Trusts Act 1963. Senior Official of all the Major Port Trusts including MOPT, participated in the said workshop.

4.1 In pursuance of the said Guidelines issued by the MOS, the MOPT has come up with a proposal for fixation of upfront tariff for stevedoring and shore handling operations.

4.2. The main points made by the MOPT in its proposal dated 25 October 2016 are summarised below:

(i). **Scope and applicability & Performance Monitoring:**

(a). **Scope & Applicability -** The proposal for fixation of upfront tariff is for carrying out all stevedoring and shore handling operations by the agencies or firms who are authorized by Major Port Trust to carry out these operations under the provisions of Section 42(3) of Major Port Trust Act, 1963.

(b). **Non Applicability** – This proposal is not applicable for BOT/BOOT operators or any other arrangement for private sector participation who are governed by Tariff Guidelines 2005, 2008 and 2013.

(c). **Performance Monitoring** - The Performance actually achieved by the operator will be monitored by both the Port and the TAMP on a quarterly basis. In the event of any shortfall in achieving the performance prescribed, the Port will initiate action on the operator as per the terms contained in the agreement entered into with the operator by the Port.

(ii). The highlights of the proposal are given below**:**

(a). The Optimal capacity is calculated on per shift basis for each of the cargo that is to be handled.

(b). The commodities handled by the port have been grouped under two major categories viz., Dry Bulk & Break Bulk.

(c). After extensive discussions with the Port Users, the norms as specified in the Guidelines have been moderated taking into account the practical consideration and the situation existing in the Mormugao Port Trust.

(d). The productivity norms prescribed in the Guidelines and that proposed by the MOPT along with reasons for deviation from the norms as furnished by MOPT are tabulated below:

Sr. No.	Commodity	Productivity norms in the Guidelines issued by Ministry (in tonnes per Hook per Shift)	Proposed in the proposal by MOPT (in tonnes per Hook per Shift) *	Productivity Norms finally considered in the cost statement (Inserted in the table for correct understanding of the productivity which is considered by MOPT in the Cost Statement	Reasons furnished by MOPT for considering lower Productivity than the prescribed norms
A.	**Dry Bulk Cargo**				
(i).	Fertilizers	900	700	725	Usually older and smaller capacity vessels carry fertilizers. Hence crane capacity is less.
(ii).	Food Grains, Raw Sugar	600	370	560	Labour intensive work. Multiple operations in shed at berth etc.
(iii).	Coal / Coke	1000	880	900	Discharged directly into barges. Hence tides, weather, under currents and availability of barges can affect the discharge
(iv).	Iron Ore, Pellets, Bauxite Lumpy	1460	880	950	
(v).	Limestone, Dolomite, Slag	1080	880	900	Discharged directly into barges. Hence tides, weather, under currents and availability of barges can affect the discharge
B.	**Break Bulk**				
(i).	Steel Coils, Slabs	1360	500	600	Stowage inside holds, lashing of each layer, storage & movement of cargo from stack to vessel, size / weight of coils are factors affecting the productivity.
(ii).	Cargo in Jumbo Bags	560	400	400	Alumina is loaded in bulk upon cutting of bags in hold. Bagged cargo stored in twin decks / comings, vehicle movement in sheds
(iii).	Granite	500	500	500	Same as norms
(iv).	Timber Logs	480	270	-	Not handled in Port
(v).	Pipes All Types	280	270	280	No deviation

[**It can be seen from the summary of the cost statement of Stevedoring and Shore handling rates arrived by the MOPT brought out in the subsequent paragraphs that the handling rate finally considered in arriving of the per shift capacity and the proposed rate is different (i.e. mostly higher) from that furnished by MOPT brought in the above table. More importantly, the performance standard proposed by MOPT vide its letter dated in December 2016 brought out in subsequent paragraphs is in line with the productivity parameters considered in the calculation. The above table is only to peruse the reasons furnished by the port for the deviations from the norms prescribed*].

(e). The operating cost has been estimated cargo-wise on per shift basis to achieve the per shift productivity. The operating cost for dry bulk cargo are estimated under the following major heads:
(i). Equipment hire cost
(ii). Labour Cost
(iii). Operational Overheads
(iv). Administrative Overheads

(f). No capital investment is envisaged in the model. Hence, no depreciation cost is considered.

(g). No license fee is considered as no land is allotted for stevedoring operations.

(h). Revenue share has not been considered as cost for determination of upfront tariff.

(i). The Operational & Administrative Overheads are estimated at 20% of the sum total of the equipment hire cost and labour cost.

(j). A fair margin of 20% on the total operating cost is considered while arriving at the upfront tariff.

(k). Tariff caps will be indexed to inflation to an extent of 60% of the variation in the Wholesale Price Index (WPI) occurring between 1 January & 31st December of the relevant year. The adjusted tariff cap will come into effect from 1 April of the relevant year till 31st March of the following year.

(l). The cargo-wise per shift Revenue Requirement for stevedoring operations is to be realized through tariff. The upfront tariffs caps for stevedoring is computed on per ton per shift basis by spreading per shift Revenue Requirement over the per shift optimal capacity assessed for each commodity so as to realize the Revenue Requirement for handling the commodity. [The MOPT has furnished the workings].

(m). The cargo wise per shift Revenue Requirement for shore handling operations is to be realized through tariff. The upfront tariffs caps for shore handling at Mooring Dolphins, Rail Siding and Berth is computed on per ton per shift basis by spreading per shift Revenue Requirement over per shift optimal capacity assessed for each commodity under each of the methods of handling so as to realize the Revenue Requirement assessed for handling the commodity under the particular method of handling. The MOPT has furnished the workings.

(n). The Port has furnished detailed computation for arriving at the proposed rates which is attached as Annex – I and II to the proposal. Summary of the cost statement and the rate arrived by MOPT (given in the last column) is tabulated below:

(i). Stevedoring operations:

Sr. No	Commodity Group	Productivity norms prescribed in the Guidelines		Proposal of MOPT				
		(Tonnes per Hook per Shift)	No. of Hooks worked per Shift	Productivity norms considered (Tonnes per Hook per Shift)	No. of Hooks worked per Shift	Tonnes per Shift	Total Revenue Requirement per shift [Total Operating Cost + Profit Margin @ 20%](in ₹)	Rate per Tonne (in ₹)
A.	**DRY BULK - STEVEDORING OPERATIONS**							
1	Finished Fertilisers	900	3	725	3	2175	160272.00	73.69
2	Food Grains	660	3	560	3	1680	331311.12	**197.21**
3	Coking Coal	900	4	900	3	2700	104832.00	**38.83**
4	Iron ore lumps/pellets	1460	4	950	3	2850	203967.12	**71.57**
5	Other Ores and Minerals	870	3	870	3	2610	106848.00	**40.94**
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	1080	3	900	3	2700	217407.12	**80.52**
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	1120	3	725	3	2175	108864.00	**50.05**
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (MD)*	No separate norms prescribed		550	3	1650	90720.00	**54.98**
9	Wood Chips	No separate norms prescribed		750	3	2250	407064.00	**180.92**
* (MD) stands for Mooring Dolphin.								
B.	**BREAK BULK - STEVEDORING OPERATIONS**							
1	Bagged Cargo	300	2.5	300	2.5	750	28239.12	**37.65**
2	Jumbo Bags	560	2.5	400	2.5	1000	76104.00	**76.10**
3	Jumbo Bags (Bleeding in Hatch)	No separate norms prescribed		350	2.5	875	79143.12	**90.45**
4	Iron and Steel - Coil and Slabs	1360	2.5	600	2.5	1500	357183.12	**238.12**

Sr. No	Commodity Group	Productivity norms prescribed in the Guidelines		Proposal of MOPT				
		(Tonnes per Hook per Shift)	No. of Hooks worked per Shift	Productivity norms considered (Tonnes per Hook per Shift)	No. of Hooks worked per Shift	Tonnes per Shift	Total Revenue Requirement per shift [Total Operating Cost + Profit Margin @ 20%](in ₹)	Rate per Tonne (in ₹)
5	Iron and Steel - Pipes, Tubes, Plates	280	2.5	280	2.5	700	210000.00	**300.00**
6	TMT /WRBars			180	2.5	450	529215.12	**1176.03**
7	Granites and Marbles	500	2	500	2	1000	77448.00	**77.45**
8	Containers - Empty	200	2	200	2	400	72246.72	**180.62**
9	Containers - Laden	1050	2	1050	2	2100	72246.72	**34.40**

(ii). Shore handling operations at berth:

		Proposal of MOPT				
Sr. No .	Commodity Group	Productivity in Tonnes per Hook per Shift	No. of Hooks worked per Shift	Tonnes per Shift	Total Revenue Requirement per shift (Total Operating Cost + Profit Margin @ 20%) (in ₹)	Rate per Tonne (in ₹)
A.	DRY BULK - SHORE HANDLING OPERATIONS AT BERTH					
1	Finished Fertilisers	725	3	2175	237552.00	109.22
2	Food Grains	560	3	1680	484527.12	288.41
3	Coking Coal	900	3	2700	14112.00	5.23
4	IRON ORE LUMPS/ PELLETS	950	3	2850	587007.12	205.97
5	Other Ores and Minerals	870	3	2610	293328.00	112.39
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	900	3	2700	444207.12	164.52
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	725	3	2175	108864.00	50.05
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (MD)	550	3	1650	90720.00	54.98
9	Wood Chips	750	3	2250	1011864.00	449.72
B.	BREAK BULK - SHORE HANDLING OPERATIONS AT BERTH					
1	Bagged Cargo	300	2.5	750	28239.12	37.65
2	Jumbo Bags	400	2.5	1000	76104.00	76.10
3	Jumbo Bags (Bleeding in Hatch)	350	2.5	875	79143.12	90.45
4	Iron and Steel - Coil and Slabs	600	2.5	1500	525183.12	350.12
5	TMT /WRBars	180	2.5	450	445215.12	989.37
6	Granites and Marbles	500	2	1000	77448.00	77.45
7	Containers - Empty	200	2	400	206646.72	516.62
8	Containers - Laden	1050	2	2100	206646.72	98.40

(iii). Shore handling operations at Mooring Dolphins:

Sr. No.	Commodity Group	Productivity considered by Port (Tonnes per Hook per Shift)	No. of Hooks worked per Shift	Tonnes per Shift	Total Revenue Requirement per shift (Total Operating Cost + Profit Margin @ 20%) (in ₹)	Rate per Tonne (in ₹)
A.	DRY BULK – SHORE HANDLING OPERATIONS					
1	Coking Coal	900	3	2700	146160	54.13
2	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Lead and Zinc Ore	950	3	2850	138096	48.45
3	Other Ores and Minerals	870	3	2610	100800	38.62
4	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (MD)	550	3	1650	142128	86.14

(iv). Shore handling operations at Rail siding:

Sr. No.	Commodity Group	Productivity considered by Port (Tonnes per Hook per Shift)	No. of Hooks worked per Shift	Tonnes per Shift	Total Revenue Requirement per shift (Total Operating Cost + Profit Margin @ 20%)	Rate per Tonne (in ₹)
A.	**DRY BULK**					
1	Finished Fertilisers	725	3	2175	0	0.00
2	Food Grains	560	3	1680	1008000	600.00
3	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Lead and Zinc Ore	950	3	2850	0	0.00
4	Shredded Scrap	700	3	2100	0	0.00
5	Other Ores and Minerals	870	3	2610	0	0.00
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	900	3	2700	299040	110.76
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	725	3	2175	0	0.00
8	Wood Chips	750	3	2250	0	0.00
	BREAK BULK					
1	Bagged Cargo	300	2.5	750	0	0.00
2	Jumbo Bags	400	2.5	1000	0	0.00
3	Steel - Coil and Slabs	600	2.5	1500	821703.12	547.80
4	Iron and Steel - Pipes, Tubes, Plates	280	2.5	700	0	0.00
5	TMT /WRBars	180	2.5	450	680583.12	1512.41
6	Granites and Marbles	500	2	1000	724416	724.42
7	Containers - Empty	200	2	400	0	0.00
8	Containers - Laden	1050	2	2100	0	0.00

(No separate norm is prescribed in the Guidelines for shore operations at Mooring Dolphin and at Railway siding. The MOPT has adopted the productivity level as proposed by it at berth for operations at Mooring Dolphins and railway siding for relevant cargo envisaged to be handled).

5.1. On perusal of the proposal, it is seen that the MOPT did not furnish the following:

(i). Draft Scale of Rates along with Conditionalities governing the SOR

(ii). Proposed Performance Standards.

(iii). Copy of approval of its Board for the subject proposal

5.2. The MOPT was, therefore, vide our letter dated 4 November 2016 requested to furnish the above said information / documents immediately to TAMP and simultaneously to the users / user associations as per the list attached with a request to furnish their comments on the subject proposal by 18 November 2016. This was followed by the reminder dated 22 November 2016. The MOPT vide its letter dated 14 December 2016 furnished the Proposed Draft Scale of Rates and Performance Standards. The MOPT vide its letter dated 21 February 2017 has submitted Board Resolution approving the subject proposal.

5.3. Subsequently the MOPT vide its email dated 21 December 2016 has furnished the revised workings of rates for a few cargo items. Further MOPT vide its email dated 1 November 2017 has furnished the break-up of equipment hire cost per shift for bagged cargo of stevedoring operations. From the detail calculations furnished by MOPT, it is seen that the MOPT has maintained the status quo in the upfront tariff rates proposed in its original proposal except a few modifications. The modifications done by MOPT are as under:

(i). The port has furnished modified estimates for Break Bulk - Bagged Cargo under stevedoring operations. Consequently, proposed rate is modified from ₹37.65 to ₹285.60 per tonne in the revised working in support of the rate proposed in the original proposal.

(ii). The port has furnished modified estimates for shore handling operation at berth for Break Bulk - Bagged Cargo and arrived at the rate of ₹672.00 per tonne as against ₹37.65/tonnes in its original proposal.

(iii). The port has, under Shore handling operations at Rail Siding for Break Bulk cargo-Bagged Cargo included estimates which were nil earlier and has furnished working in support of proposed rate of ₹1008.00 per tonne.

5.4. Accordingly, the MOPT seeks the approval on the following:

(i). Proposed Upfront Tariff for Stevedoring and Shore Handling Operations at MOPT.

PART I- STEVEDORING OPERATIONS

SECTION – A – DRY BULK

Sr. No.	Commodity Group	Rate per Tonne (in ₹)
1	Finished Fertilisers	73.69
2	Food Grains	197.21
3	Coking Coal	38.83
4	Iron Ore Lumps/Pellets	71.57
5	Other Ores and Minerals	40.94
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	80.52
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	50.05
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (MD)	54.98
9	Wood Chips	180.92

SECTION – B – BREAK BULK

Sr. No.	Commodity Group	Rate per Tonne (in ₹)
1	Bagged Cargo	285.60
2	Jumbo Bags	76.10
3	Jumbo Bags (Bleeding in Hatch)	90.45
4	Iron and Steel - Coil and Slabs	238.12
5	Iron and Steel - Pipes, Tubes, Plates	300.00
6	TMT /WRBars	1176.03
7	Granites and Marbles	77.45
8	Containers - Empty	180.62
9	Containers - Laden	34.40

PART II- SHORE HANDLING OPERATIONS AT MOORING DOLPHINS
SECTION – A – DRY BULK AT MOORING DOLPHINS

Sr. No.	Commodity Group	Rate per Tonne (in ₹)
1	Coking Coal	54.13
2	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Lead and Zinc Ore	48.45
3	Other Ores and Minerals	38.62
4	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (MD)	86.14

PART III- SHORE HANDLING OPERATIONS AT RAIL SIDING

SECTION – A – DRY BULK AT RAIL SIDING

Sr. No.	Commodity Group	Rate per Tonne (in ₹)
1	Food Grains	600.00
2	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	110.76

SECTION – B – BREAK BULK

Sr. No.	Commodity Group	Rate per Tonne (in ₹)
1	Bagged Cargo	1008.00
2	Steel - Coil and Slabs	547.80
3	TMT /WRBars	1512.41
4	Granites and Marbles	724.42

PART IV- SHORE HANDLING OPERATIONS AT BERTH

SECTION – A – DRY BULK

Sr. No.	Commodity Group	Rate per Tonne (in ₹)
1	Finished Fertilisers	109.22
2	Food Grains	288.41
3	Coking Coal	5.23
4	Iron Ore Lumps/Pellets	205.97
5	Other Ores and Minerals	112.39
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	164.52
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	50.05
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (MD)	54.98
9	Wood Chips	449.72

SECTION – B – BREAK BULK

Sr. No.	Commodity Group	Rate per Tonne (in ₹)
1	Bagged Cargo	672.00
2	Jumbo Bags	76.10
3	Jumbo Bags (Bleeding in Hatch)	90.45
4	Iron and Steel - Coil and Slabs	350.12
5	TMT /WRBars	989.37
6	Granites and Marbles	77.45
7	Containers - Empty	516.62
8	Containers - Laden	98.40

(ii). Performance Standards:

Sr. No.	Performance Parameters	Productivity Norms P/Hook, P/Shift
(1).	**Dry Bulk Cargo**	
(i).	Fertilizers	725
(ii).	Food Grains, Raw Sugar	560
(iii).	Coal / Coke	900
(iv).	Iron Ore, Pellets, Bauxite Lumpy	950
(v).	Shredded Scrap	700
(vi).	Other Ores and Minerals	870
(vii).	Limestone, Dolomite, Slag	900
(viii).	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	725
(ix).	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (MD)	550
(x).	Wood Chips	750
(2).	**Break Bulk Cargo**	
(i).	Bagged Cargo	300
(ii).	Cargo Jumbo Bags	400
(iii).	Jumbo Bags (Bleeding in Hatch)	350
(iv).	Steel Coils, Slabs	600
(v).	Iron and Steel – Pipes, Tubes, Plates	280
(vi).	Granite	500
(vii).	TMT / WRBars	180
(viii).	Containers – Empty	200
(ix).	Containers - Laden	1050

6.1. In accordance with the consultation process prescribed, a copy of the MOPT proposal dated 25 October 2016 was circulated vide our letter dated 4 November 2016 to the users/ user organisations and Stevedores' Association seeking their comments.

6.2. The comments received from the MSA vide its email dated 18 November 2016 and email dated 12 January 2017 on the subject proposal was forwarded to MOPT as feedback information. No reply was furnished by MOPT till finalisation of the case.

6.3. M/s. Aspinwall & Company (AC) vide email dated 6 January 2017 furnishing written submissions relating to this case. The comments of M/s. AC are reiteration of comments of MSA. This was forwarded to MOPT for their comments. We have not received any comments from MOPT till finalisation of the case.

6.4. The comments received from the Goa Mineral Ore Exporters' Association (GMOEA) vide its letter dated 24 December 2016 on the subject proposal were forwarded to MOPT as feedback information. The MOPT vide its letter dated 12 January 2017 has furnished its reply.

7.1. Based on the preliminary scrutiny of the proposal dated 25 October 2016, the MOPT was requested to furnish information / clarification on a few points vide our letter dated 28 December 2016. The MOPT vide its letter dated 12 January 2017 has responded to the information/ clarifications sought by us and also submitted actual handling rates achieved by MOPT for the last 3 years. A summary of the information/ clarifications sought by us and the response of MOPT are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Information/ Clarifications sought by us</th><th>Response from MOPT</th></tr>
<tr><td>1.</td><td><u>Productivity Parameters:</u></td><td></td></tr>
<tr><td>(i).</td><td></td><td></td></tr>
<tr><td>(a).</td><td>The MOPT to furnish the basis for considering lower productivity for Stevedoring operations for Alumina and Pig Iron ingots at 725 tonnes per hook per shift as against the productivity norm prescribed in the Guidelines at 1120 tonnes per hook per shift.</td><td>The productivity is directly linked to berth availability. At Mormugao Port, there are only two general cargo berths and the Port is operating with only one HMC at present. Further, being a conventional berth, adequate space is not available to deploy more number of trucks/trailers for feeding the crane and as a result it affects the loading operation. One ton jumbo bags are bleed on board and consolidated as bulk despatch and not exported as break-bulk (in bags).</td></tr>
<tr><td>(b).</td><td>In the absence of norms for shore handling of cargo at Mooring Dolphin and at Rail siding, it is seen that the Port has considered the productivity levels for these two areas at par with the productivity parameters considered by it for handling at berth. The port to confirm that the productivity parameters considered for handling cargo at berth can be achieved at Mooring Dolphin and Rail siding also.</td><td>Due to various factors, although it is not always possible to achieve the productivity standards at Mooring dolphins at par with that at berth, the productivity levels for Mooring Dolphin and Rail siding have been worked out with past data and productivity norms achieved. The objective is to consistently improve on higher productivity. [It is seen that the MOPT has considered productivity for shore handling operations at Rail Siding and Mooring Dolphins at par with productivity level considered for shore handling operations at berth].</td></tr>
<tr><td>(c).</td><td>Mormugao Stevedores Association at the joint hearing had pointed out that the productivity norm for container handling should be on per TEU basis as against the norm prescribed in per tonne basis. The port had agreed to review. The proposal of the MOPT, however, prescribes the tariff and performance standards on per tonne basis for container. The port may consider to review the unit of levy and Performance Standard for this item for ease of implementation by the port.</td><td>The Port is agreeable to fixing productivity norm for container handling on per TEU basis as against the norm prescribed in per tonne basis. However, the TAMP may suitably review the achievable norms as requested by the Container Lines. The Container Lines have requested for a productivity norm of 35 to 40 moves per shift.</td></tr>
<tr><td>(ii).</td><td>The MOPT has proposed to include the following cargoes for which no norms are prescribed in the stevedoring and shore handling guidelines:
<table>
<tr><th>Sl. No.</th><th>Commodity</th><th>Norm considered by MOPT (In tonnes/ per hook per shift)</th></tr>
<tr><td colspan="3">Dry Bulk</td></tr>
<tr><td>1.</td><td>Alumina and Pig Iron ingots and similar dry bulk cargo (MD)</td><td>550</td></tr>
<tr><td>2.</td><td>Wood Chips</td><td>750</td></tr>
<tr><td colspan="3">Break Bulk</td></tr>
<tr><td>3.</td><td>Jumbo Bags
(Bleeding in Hatch)</td><td>350</td></tr>
<tr><td>4.</td><td>TMT/WR Bars</td><td>180</td></tr>
</table></td><td>-</td></tr>
<tr><td>(a).</td><td>Please explain the reasons for categorising the cargo items given at serial nos.1 and 3 separately despite having proposed tariff for similar type of cargo in the proposal.</td><td>Jumbo Bags are initially brought in as break bulk cargo and later the bags are broken and discharged into the hatches, which is time consuming process as the importer requires the cargo in bulk at the receiver port. The cargo being hygroscopic cannot be transported in loose and are bagged in sealed jumbo bags.</td></tr>
<tr><td>(b).</td><td>The MOPT to explain the basis for handling rates/ productivity norms considered for the</td><td>The basis for handling rates/ productivity norms considered for the above cargoes and the last</td></tr>
</table>

<table>
<tr><td></td><td>above cargoes. Also, furnish the last three year actual handling rates achieved by it for the above mentioned cargoes.</td><td>three year actual handling rates achieved by it for the above mentioned cargoes is summarised below:
<table>
<tr><th>Sl. No.</th><th>Performance Parameters</th><th colspan="3">Achievements</th></tr>
<tr><td></td><td></td><td>2015-16</td><td>2014-15</td><td>2013-14</td></tr>
<tr><td>(1).</td><td>Cargo Related Services</td><td></td><td></td><td></td></tr>
<tr><td>(a)</td><td>Average Ship Berth day Output (in tonnes) in respect of Major Cargo groups</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(i). POL Products</td><td>6,567</td><td>6,634</td><td>6,165</td></tr>
<tr><td></td><td>(ii). Other liquid bulk cargo</td><td>8,154</td><td>8,800</td><td>8,817</td></tr>
<tr><td></td><td>(iii). Iron ore/Iron ore pellets</td><td>14,039</td><td>10,415</td><td>-</td></tr>
<tr><td></td><td>(iv). Fertilizers - finished</td><td>3,936</td><td>4,339</td><td>3,862</td></tr>
<tr><td></td><td>(v). Thermal/Steam coal</td><td>31,885</td><td>25,438</td><td>-</td></tr>
<tr><td></td><td>(vi). Coking Coal</td><td>31,723</td><td>28,323</td><td>28,161</td></tr>
<tr><td></td><td>(vii). Containers</td><td>3,001</td><td>3,086</td><td>3,495</td></tr>
<tr><td></td><td>(viii). Other Dry bulk cargo</td><td>12,475</td><td>9,232</td><td>7,251</td></tr>
<tr><td></td><td>(ix). General break bulk cargo</td><td>3,668</td><td>2,292</td><td>3,770</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(b)</td><td>Average moves per hour (in TEUs) in respect of Containers</td><td>12</td><td>10</td><td>8</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(2)</td><td>Vessel Related Services</td><td></td><td></td><td></td></tr>
<tr><td>(a)</td><td>Average Turnaround Time of Vessels (in days)</td><td>3.65</td><td>4.15</td><td>4.34</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(b)</td><td>Average Pre-Berthing Time of Vessels (in days) (Port's A/c)</td><td>0.18</td><td>0.25</td><td>0.35</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(3)</td><td>Any other parameters found relevant by the Port</td><td></td><td></td><td></td></tr>
<tr><td></td><td>(a) Avg. Non-Working time to stay at working berth (in days)</td><td>0.40</td><td>0.39</td><td>0.43</td></tr>
</table>
[The above table furnished by MOPT does not cover all cargo for which port has proposed stevedoring rates nor can it be correlated with the productivity parameters considered by the port.]</td></tr>
<tr><td>(iii).</td><td>Annex – III of the Stevedoring & Shore handling Guidelines indicates the number of hooks per shift in respect of each of Coking Coal and Iron Ore Lumps/Pellets at 4 number of hooks per shift. However, the MOPT has considered the number of hooks per shift in respect of the above mentioned cargo at 3. The reasons for deviation from the prescribed norms in number of hooks to be explained.</td><td>By experience, it has been observed that three hooks are operating with ease at any given point of time to achieve maximum through put in a shift, due to limited space and manoeuvring constraints for the vehicles at the berths.</td></tr>
<tr><td>(iv).</td><td>The port has proposed performance standards for shredded scrap cargo. However, the MOPT has not proposed any tariff for Shredded Scrap cargo. The MOPT to correct the mismatch in the proposal.</td><td>At present MOPT handles a small quantity of shredded scrap cargo in containers only. However, MOPT intends to encourage handling of shredded scraps at the Mooring Dolphin since the locals have objected to on shore handling on account of pollution. As and when a concrete proposal is received from the prospective trader, MOPT shall approach TAMP for notifying the rates.</td></tr>
<tr><td>(v).</td><td><u>Equipment hire cost for both Stevedoring and Shore Handling operations</u>:</td><td></td></tr>
</table>

(a).	The MOPT has estimated the equipment hire cost on per shift basis separately for each of the commodity for both Dry Bulk and Break Bulk Cargo groups. However, the MOPT has not furnished any workings with regard to equipment hire cost considered by it and the basis of the respective hire charges for each of the equipment. Clause 3.5.6 and 4.5.6 of the Stevedoring and Shore Handling Guidelines stipulate that the equipment hire cost shall be estimated for normative list of equipment to be taken on hire as per norms prescribed at relevant Annexes attached to the Guidelines. The MOPT to furnish the detailed workings for the estimation of equipment hire cost for both Stevedoring and Shore Handling operations. The unit rate of hire to be supported with documentary evidence.	The estimates of the equipment hire cost for both stevedoring and shore handling operations have been provided by the Stevedores as no such details are available with the port.
(b).	The MOPT to confirm that it has considered the equipment as per the normative list of equipment to be taken on hire as per norms prescribed in Stevedoring and Shore handling Guidelines. In case of any deviation from the prescribed norm, the port to furnish the reasons therefor for each of the deviations.	The list of equipment put to use for handling various types of cargo have been provided by the Stevedores. Other things being equal, the Stevedore have the flexibility to use any equipment which would aid in achieving and/or increasing the productivity in a cost effective manner.
(vi).	**Labour Cost for Stevedoring Operations**:	
(a).	Annex – VIII of the Stevedoring and Shore handling Guidelines (labour cost estimation) indicates the norms for deployment of labour per shift in respect of each of the commodity group for stevedoring operation. The MOPT has, however, not furnished any workings with respect to labour cost estimation considered by it. The MOPT to furnish the detailed workings for estimation of labour cost.	The estimates of the labour hire cost for both stevedoring and shore handling operations have been provided by the Stevedores as no such details are available with the port.
(b).	In case of any deviation from the prescribed norm, the port to furnish the reasons therefor for each of them.	The port has relied on the information provided by the stevedores since the port does not have any data base.
(c).	Clause 3.5.7 stipulates that the unit rate for labour deployment for Stevedoring operations will be the prevailing actual cost of labour for the quantum of labour prescribed in the norms as per the National Tribunal Award. Please confirm whether the unit rate of labour per shift complies with the guideline position.	The rates of labour in the state of Goa is much higher than any other part of the country. Further, since the local condition varies from port to port higher rates have been taken,
(vii).	**Labour Cost for Shore Handling Operation**:	
	Clause 4.5.7 stipulates the norm for estimation of labour cost for shore handling operation at 5% of the equipment hire cost for dry bulk cargo and 10% of equipment hire cost for break bulk cargo. The labour cost estimated by the MOPT for Shore Handling Operation is not as per the norms prescribed in the said clause of the Guidelines. The MOPT to explain the basis for arriving the labour cost for each of the cargo and adequately justify the reasons for deviation from the prescribed norms.	The labour cost estimated by the MOPT for Shore Handling Operation estimated based on the information provided by the stevedores.
(viii).	As per clause 7.1 of the Stevedoring and Shore Handling Guidelines, the operator is entitled for 100% WPI indexation in tariff instead of 60% WPI indexation on achievement of Performance Standard as prescribed in the Berthing Policy issued by the Ministry of Shipping vide letter no.PD-11033/73/2013-PT (pt) dated 16.06.2016 for dry bulk cargo. The port to confirm that the proposed Performance Standards is based on the berthing policy issued by MOS dated 16.06.2016 as required in the said guidelines. If not, the port may consider to propose Performance Standards for dry bulk cargo as per the Berthing Policy as provided in the clause 7.1. of the Stevedoring and Shore Handling Guidelines.	The port has framed the berthing policy in line with the policy guidelines of the Ministry and have made suitable modifications in the performance standards to meet the local conditions and constraints of space. [TAMP has not received any proposal from MOPT under Berthing Policy issued by the MOS].

(ix).	In the general revision Order of the MOPT, the port has requested that the Authority may go ahead with the proposed rationalised tariff for stevedoring proposed in the general revision proposal till such time as the SOR under the new guidelines for Stevedoring and Shore Handling operations is implemented. The Authority accordingly, while approving the general revision of the SOR, has approved the proposed tariff for stevedoring till such time the rates based on separate proposal filed by MOPT under the new guidelines for Stevedoring and Shore Handling operations are implemented. As regards shore handling operations as well, till such time the rates for shore handling operations are determined under new guidelines for Stevedoring and Shore Handling operations based on current proposal filed by the port, the Authority has found appropriate to retain the existing schedule for shore handling operations in the revised proposed SOR. Thus, the existing SOR of the MOPT approved by the Authority prescribes the rate for stevedoring and shore handling operations. In the current proposal, the MOPT during the Joint hearing has stated that the Stevedoring and Shore Handling charges prescribed in the existing SOR under the general revision proposal will continue to be levied by the port. In this context the following points may be clarified:	
(a).	From the clarification furnished by the port during the general revision, it was made to understand by the port that the rates for stevedoring and shore handling prescribed in the general revision of the SOR under the Tariff Policy 2015 will discontinue on implementation of the rates (to be) approved under the stevedoring and shore handling guidelines. The stand now taken by the MOPT appears to be different from its earlier clarification. Please furnish the reasons to continue with the existing rates prescribed in the SOR for stevedoring and shore handling along with the tariff (to be) approved under the new stevedoring and shore handling Guidelines proposed by the port.	The rate prescribed in the General Revision of Scale of Rates are approved by TAMP for providing Services by the port to its customers. The port provides services like gangs, crane operator to operate ships crane, signallers, etc. HMC for which the rates are specified in the General Revision of Scale of Rates. The upfront tariff for Stevedoring and Shore handling operations are the ceiling rates to be charged by the stevedores to their customers for providing services like private labour, equipment etc. and which are over and above the rates paid by the stevedores to the port.
(b).	The port to explain the nature of services provided with reference to rate for stevedoring and shore handling operations prescribed in the existing SOR. Also, confirm that there is no double counting of the cost elements particularly the labour cost considered in the stevedoring and shore handling rate prescribed in the general revision of SOR and the tariff proposed under the new stevedoring and shore handling guidelines. If the nature of services relating to stevedoring and shore handling operations for which rate is prescribed in the existing SOR are different from the nature of services to be rendered in current proposal, the port may consider to propose suitable amendment in the nomenclature of the Schedule 2.4.1 (A) – Stevedoring Charges and 2.4.1 (B) Shore Operation Charges in the existing SOR to avoid ambiguity in levying the tariff.	No specific response of port on this point.
(x).	**Proposed Scale of Rates**	
(a).	Clause 2.8 of Stevedoring & Shore Handling Guidelines states that Major Port Trusts should comply with the policy direction set out by the Government from time to time like coastal cargo/ containers etc. One of the policy directions issued by the (then) Ministry of Shipping, Road and Transport and Highways (MSRTH) relates to concessional rate for coastal vessel and coastal	Any activity that includes deployment of equipment and local labour for handling any cargo, entails the same cost whether for foreign and coastal and there being no concession for the consumables, fuels and wages procured from the local market, it would bring about a disparity in the value of service. Hence, it is felt that concessional tariff of stevedoring and shore handling charges

	cargo. As per para 3 (iii) and 5(2.2) of Order No. TAMP/4/2004–Genl. dated 7 January 2005 passed by the Authority based on the said policy direction of the MSRTH, the concessional tariff need to be prescribed for cargo handling charges at 60% of the rate for foreign for all the relevant handling charges i.e. ship-shore transfer and transfer from quay to storage yard including wharfage. The policy direction issued by the (then) MSRTH is uniformly applied at all the Major Ports and Private Terminal Operators governed under 2005, 2008 and 2013 guidelines while setting their tariff. In fact, even the existing SOR of the MOPT prescribes separate concessional tariff at Schedule 2.4.1 (A) – Stevedoring Charges and 2.4.1 (B) Shore Operation Charges. The MOPT to, therefore, consider proposing separate concessional rate for coastal cargo as per the policy direction issued by the (then) MSRTH and as per clause 2.8 of the Stevedoring and Shore Handling Guidelines issued by the MOS.	for coastal cargo cannot be prescribed. As such, the rates in the proposal may kindly be treated as coastal rates and the rates for foreign may be increased suitably.
(b).	The port may suitably adjust the proposed rate (i.e. for foreign cargo) to consider the impact of coastal concession as done in the upfront and reference tariff cases. Furnish detailed working of the rate (to be) proposed indicating the share of foreign and coastal cargo.	Private players are not given any subsidies by the Government and as such it would not be prudent to expect the stevedore to extend any concession to coastal cargo. Alternatively, foreign rates needs to be increased to bring about a parity for handling coastal rates. Also, these ceiling rates, are over and above the rates payable by the stevedore to the Port as per the SoR, in which concession for coastal has already been provided.

7.2. On perusing the reply furnished by MOPT vide its letter dated 12 January 2017, when the case was taken up for finalisation, it is found that port has not addressed vital points raised in our letter. The MOPT was, therefore, requested vide our letter dated 6 July 2017 to furnish the additional information / clarification arising out of the response of MOPT. This was followed up by reminder dated 9 August 2017. The MOPT has furnished its response vide its letter dated 21 August 2017. A summary of information gaps found in the reply of MOPT and information / clarification furnished by MOPT is tabulated below:

Sr. No.	Additional information sought in view of gaps in MOPT reply dated 12 January 2017	Reply of MOPT
(i).	**<u>Point No. (v) (a) and (b). Equipment hire cost for both stevedoring and Shore Handling operations.</u>**	
(a).	The reply furnished by the MOPT does not address the specific point raised in (v) (a). In the absence of the port furnishing the documentary evidence sought in our point no. (v) (a), to support the estimate of hire charges of equipment, the port to confirm that the hire of equipment considered by the Port is reasonable and reflects the prevailing market rate.	It is felt that the charges of hire of equipment provided by the stevedores are reasonable.
(b).	In port (v) (b), the port was requested to confirm that it has considered the equipment as per the normative list of equipment to be taken on hire as per norms prescribed in Stevedoring and Shore handling Guidelines. In case of any deviation from the prescribed norm, the port was to furnish the reasons, therefor, for each of the deviations. The reply furnished by the MOPT stating that list of equipment to be put on use for both stevedoring and shore handling operations have been provided by the Stevedores, as no such details are available with the port is general and does not address the specific point raised.	Unlike other Ports, the stevedoring and shore handling operations in this Port is carried out by the stevedores only. Further, given the physical constraint of the berth and apron the storage location, it would be practically difficult to fit in the normative requirement of equipments. The Port has, therefore, in consultation with the Stevedores, considered the optimum number of equipment for cargo handled. Hence, the deviation from the prescribed norms in equipments proposed for deployment in certain cases is less / more. The list of equipment put to use for handling various types of cargo have been provided by the Stevedores. Other things being equal, the Stevedore has the flexibility to use any equipment which would aid in

	The deviations in the equipment deployment proposed by MOPT from the norms prescribed in the Guidelines both for Stevedoring and Shore handling operation is furnished to MOPT. The MOPT is once again requested to justify the deviation from the prescribed norm in equipment proposed for deployment for both Stevedoring and Shore handling Operations.	achieving and / or increasing the productivity in a cost effective manner.
(c).	As regards the Shore handling operations, the guidelines prescribes 5 handling methods for dry bulk cargo and 4 methods for break bulk cargo. In this regard, the MOPT to clarify under which of methods the port has proposed the upfront tariff for Shore handling operations as it is not clear from the proposal of the port.	This Port has adopted method no.5 for dry berth cargo and method 4 for break bulk cargo.
(ii).	**Point (vi). (b) and (c) - Labour Cost Stevedoring Operations : for**	
(a).	**Point (vi) (b):** The reply furnished by the MOPT on this point stating that the port has relied on the information provided by the stevedores as port does not have such details does not address specific point raised hence the point raised earlier is reiterated. The port in its reply to point no. (ix) (a) has stated that port provides gangs, crane operators to operate crane, signalers, etc. for which rate prescribed in SOR of MOPT are levied. That being so, the reply furnished by port (vi) (a) and (vi) (b) that port does not have details of labour deployment appears to be contradicting. The MOPT to consider labour deployment for Stevedoring operations as per prescribed norms. In case of deviation, if any, justify deviation from the labour deployment norms prescribed in the guidelines. It is relevant to state that the norms for estimation of labour Cost for break bulk cargo for stevedoring operation prescribe one number Tindal per shift for each commodity. However, such Tindal per shift is not prescribed for break bulk cargo by the MOPT. It is understood that the Tindal is a mandatory requirement per shift for break bulk cargo. The MOPT may examine the issue in light of above and if required, make necessary modification in the proposal in respect of labour cost to handle bulk cargo in Stevedoring operations.	In addition to our earlier reply, this is to inform that in this Port, shore handling activities is totally privatised. The Port supplies only labours for crane operations as per NIT award and hence carrying out the Tindal working is also the responsibility of the concerned stevedores. There is no designation of Tindal operating in this Port.
(b).	**Point (vi) (c):** Clause 3.5.7. requires to consider the unit rate for labour as per the prevailing actual cost for the quantum of labour as per National Tribunal Award. The reply of MOPT stating that the rate of labour in the state of Goa is much higher than any other part of the country and further the local condition varies from port to port and hence higher rates have been taken does not address the specific point raised. The MOPT to confirm whether the unit rate of labour considered by the port reflect prevailing actual cost of labour as stipulated in the guidelines. Deviation, if any, from the prescribed norm may be justified.	Apart from crane operations, the entire labour requirements are arranged by the Stevedores. Port does not decide on the cost of labour. However, after due deliberations and discussions with the stevedores wherever cost of labour arrived has been forwarded to TAMP. <u>In case you may require any further clarifications, the same may be obtained from the Stevedores.</u>
(iii)	**<u>Point (vii) - Labour Cost for Shore handling Operation</u>**: The reply furnished by the MOPT stating that the labour cost estimated by the port for shore handling is based on the information provided by the stevedores is not in line with the provision stipulated in clause 4.5.7 of the Stevedoring and Shore handling guidelines. The port, therefore, to modify the estimate of labour cost considered for shore handling operation at 5% of the equipment hire cost for Dry Bulk Cargo and 10%	Labour cost may be restricted as per the guidelines.

	for Equipment Hire Cost for Break Bulk Cargo as stipulated in clause 4.5.7 of the Guidelines. It is relevant to state that other Major Port Trust have also estimated the labour cost for Shore handling operations following the prescribed norms.	
(iv).	**Point (ix) (b):** The reply furnished by the MOPT does not addresses the specific point raised in (ix) (b). Hence, the said point is reiterated.	The charges proposed is as per the SOR and no double counting of the cost elements, particularly the labour cost.

8.1. Subsequently, the MOPT vide its email dated 11 January 2017 has brought out that Stevedores have requested not to have concessional rates for coastal cargo citing the following reasons:

(i). The cost of handling cargo by Stevedores remains the same whether the cargo is foreign or coastal.

(ii). A stevedore may handle a particular type of cargo which is always a foreign cargo and another stevedore might always handle a coastal cargo in which case he will not be able to recover his cost.

(iii). The upfront tariff are the charges which the stevedores charge to their Customers and which are over and above the charges payable by the Stevedores to the Port as per the Port SOR. The Port's SOR provides for concession to coastal cargo.

(iv). In the case of Ports, cross subsidization happens whereas the same may not happen in the case of stevedores.

8.2. In view of the above submission of MOPT and similar views of KPT and VPT, we have vide our letter No.TAMP/67/2016-MOPT dated 12 January 2017 requested the MOS to examine whether policy direction issued by the (then) MSRTH for prescription of concessional rate for eligible coastal cargo need to be applied while fixing tariff under the stevedoring and shore handling guidelines as well. The MOS has been requested to examine and advise us on the matter at the earliest. The reply of the MOS is awaited.

9.1. A joint hearing in this case was held on 30 November 2016 at the MOPT premises. The MOPT made a brief power point presentation of its proposal. At the joint hearing, the MOPT and the concerned users/ user organizations have made their submissions.

9.2. As agreed at the joint hearing, the MOPT was requested vide our letter dated 2 December 2016 followed by reminder dated 13 December 2016 to take action on the following point:

(i). At the joint hearing, the MSA has pointed out that the stevedoring rate proposed for bagged cargo and the stevedoring rate proposed for TMT cargo is low. The Performance Standards for Granite is high. The unit of levy for container should be on per TEU basis instead of per tonnes basis. As agreed by the MOPT, port to examine the above points raised by users/ user associations and file a revised proposal in a week's time.

9.3. As regards the action point flowing from the Joint hearing the MOPT vide its letter dated 21 February 2017 and 2 March 2017 has forwarded the Board's approval revising the rate for Bagged Cargo from ₹37.65 to ₹285.60 per tonne. There is no change in rate for TMT cargo which has been kept at the same rate. As per the Guidelines for determination of Upfront Tariff for Stevedoring and Shore Handling Operations, the Performance for Granite is 500 per tonne per hook per shift and the Port has retained the same Performance Standard for Granite. The unit of levy for container has been changed from per tonne basis proposed by MOPT in the original proposal to per TEU basis. The modification proposed by MOPT in respect of Bagged Cargo, Container Empty and Container Laden is given below:

		Modified Proposal of MOPT				
1.	**FOR STEVEDORING OPERATIONS**					
Sr. No.	**Commodity Group**	**Productivity in Tonnes per Hook per Shift**	**No. of Hooks worked per Shift**	**Tonnes per Shift**	**Total Revenue Requirement per shift (Total Operating Cost + Profit Margin @ 20%) (in ₹)**	**Rate per Tonne (in ₹)**
A.	**BREAK BULK CARGO**					
1	Bagged Cargo	300	2.5	750	214200.00	285.60

		Modified Proposal of MOPT				
1.	**FOR STEVEDORING OPERATIONS**					
Sr. No.	**Commodity Group**	**Productivity in Tonnes per Hook per Shift**	**No. of Hooks worked per Shift**	**Tonnes per Shift**	**Total Revenue Requirement per shift (Total Operating Cost + Profit Margin @ 20%) (in ₹)**	**Rate per Tonne (in ₹)**
2	Container Empty	65 TEUs	2	130 TEUs	126006.72	969.28/TEU
3	Container Laden	55 TEUs	2	110 TEUs	126006.72	1145.52/ TEU
2.	**FOR SHORE HANDLING OPERATIONS**					
1	Container Empty	65 TEUs	2	130 TEUs	260406.72	2003.13/TEU
2	Container Laden	55 TEUs	2	110 TEUs	260406.72	2367.33/ TEU

10. Keeping in view that the MOS has directed the Authority for immediate implementation of Stevedoring and Shore handling Guidelines issued by MOS, the Authority has passed an Order No.TAMP/67/2016-MOPT dated 8 February 2017 notifying the interim rate for Stevedoring and Shore Handling operations purely on adhoc basis pending fixation of final rate on the subject proposal. The Order dated 8 February 2017 explicitly states that the final rates to be approved by this Authority will have prospective effect. The said Order was notified in the Gazette of India on 1 March 2017 vide Gazette No.78.

11. 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 them. These details will also be made available at our website http://tariffauthority.gov.in.

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

(i). The proposal of the Mormugao Port Trust (MOPT) is for fixation of upfront tariff for Stevedoring and Shore Handling Operations at MOPT in pursuance of the Stevedoring and Shore Handling Policy for Major Ports, 2016 issued by the MOS in June 2016 and the Guidelines for determination of Upfront Tariff for Stevedoring and Shore Handling Operations authorized by Major Ports under Section 42(3) of the Major Port Trusts Act 1963, issued by the MOS vide its letter No.PD-11033/73/2013-PT (pt) dated 7 October 2016 and 17 October 2016, under Section 111 of the Major Port Trusts Act, 1963. The MOS has issued the guidelines as policy direction to this Authority advising to treat it as most immediate.

(ii). After following the prescribed consultation process on the subject proposal with the concerned stakeholders, a joint hearing on the case was held on 30 November 2016 at the MOPT premises. As a part of the joint hearing proceedings, the MOPT was requested vide our letter dated 02 December 2016 to examine the points made by users/ user association at the joint hearing and file a revised proposal as agreed by the port.

Since it will take some more time for this case to mature for final consideration of this Authority, and keeping in view that the MOS has directed this Authority for immediate action, this Authority had vide Order No. TAMP/67/2016- MOPT dated 8 February 2017 approved upfront tariff for stevedoring and shore handling operation and Performance Standards as proposed by the port as interim arrangement on ad hoc basis pending the final rates to be approved by this Authority. In the said Order, this Authority has stated that the final rates when approved by this Authority will have prospective effect. The interim rate adopted on an ad hoc basis will be recognized as such. There will not be any question of refund/ recovery, if any, in case of variation between the ad hoc rates and final rates. The current exercise is thus for fixation of final upfront tariff based on the proposal filed by the MOPT.

(iii). As brought out in earlier paragraphs, subsequent to its original proposal of October 2016, the MOPT furnished revised working vide its letter dated 21 December 2016. Subsequently, the port has furnished the information / clarification sought by us vide its letter dated 12 January 2017. The gaps observed in the information furnished by MOPT was replied by MOPT vide its letter dated 21 August 2017. The information / clarification furnished by MOPT vide its letter dated 12 January 2017 and 21 August 2017 along with revised working dated 21 December 2016 furnished by MOPT during the processing of the case are considered in this analysis. This case could be taken up for finalization only after receipt of complete information/ clarification from the port vide its letter dated 21 August 2017.

Before proceeding to analyse the case, it is relevant here to state that the two main items which go for fixation of the stevedoring and shore handling tariff are equipment hire cost and labour cost. The MOPT has estimated these cost items based on the data provided by the Stevedores. The Port has stated that unlike other Ports, the stevedoring and shore handling operations in MOPT are carried out by the stevedores only.

The MOPT has, in its proposal, estimated hire charges for equipments based on the estimates of the equipment hire cost for stevedoring and shore handling operations provided by the Stevedores as no such details are reportedly available with the port. However, the MOPT has confirmed that the charges of hire of equipment provided by the stevedores are reasonable. Based on the confirmation of the port the equipment hire cost as estimated by the MOPT is considered.

As regards labour cost, despite specific request made to MOPT to confirm that the quantum of labour considered by MOPT is as per the norms of the National Tribunal Award, the port has maintained its stand that port supplies labour only for crane operations as per NIT awards. The MOPT has stated that the estimates of the labour hire cost for both stevedoring and shore handling operations have been provided by the Stevedores as no such details are available with the port. The port has relied on the information provided by the Stevedores since the port does not have any database. In the absence of the MOPT furnishing the details of labour cost as per the norms, the labour cost for stevedoring operations estimated by MOPT was compared with the labour cost for stevedores operations estimated by VOCPT which proposed rate for similar cargo. On such comparison it was found that the labour cost estimated by MOPT are lower or comparable to the labour cost estimated by VOCPT for stevedoring operations. On that basis the labour cost for stevedoring operation is considered as estimated by MOPT. As regards shore handling operations, as brought out in subsequent paragraphs, labour cost estimated by MOPT is considered at 5% and 10% on the equipment hire cost for dry bulk cargo respectively or the estimated labour cost estimated by MOPT whichever is lower except for Granite marble and Jumbo bags for reasons explained in subsequent paragraphs.

(iv). (a). The Stevedoring and Shore handling Guidelines prescribe broad classification of 12 cargo groups under Dry Bulk Cargo and 12 cargo groups under Break Bulk Cargo.

(b). The MOPT has proposed upfront tariff for Stevedoring and Shore handling operations for nine dry bulk groups viz., (i). Finished Fertilizers, (ii). Food Grains, (iii). Coking Coal, (vi). Iron Ore Lumps / Pellets, (v). Other Ores and Minerals, (vi). Limestone, Dolomite, Clinker, Clay, Sand & other similar Dry Bulk cargo, (vii). Alumina & Pig Iron ingots and similar Dry Bulk Cargo, (viii) Alumina & Pig Iron ingots and similar Dry Bulk Cargo (MD), (ix).Wood Chips following the broad cargo classification prescribed in the Guidelines. It is relevant to state that the Stevedoring and Shore handling Guidelines do not specify separate cargo group for Alumina and Pig Iron ingots (MD) and for wood chips proposed by MOPT at Serial No.(viii) and (ix).

(c). As regards Break Bulk Cargo, the MOPT has proposed upfront tariff for Stevedoring and Shore handling operations for nine break bulk cargo group viz., (i). Bagged cargo, (ii). Jumbo Bags, (iii).Jumbo Bags (Bleeding in Hatch), (iv). Iron and steel- coils & slabs, (v). Iron, steel- pipes, tubes, plates, (vi). TMT / WR Bars, (vii). Granites & Marbles, (viii) Containers- Empty, (ix). Containers - Laden following the broad cargo classification prescribed in the Guidelines. There are no separate cargo group for Jumbo Bags (Bleeding in Hatch) and for TMT / WR Bars in the Stevedoring and Shore handling Guidelines for which the port has proposed separate tariff.

(d). The port was specifically requested to furnish justification and basis for additional four cargoes proposed to be included. Despite specific request, the port has not justified it except for Jumbo Bags (bleeding in hatch). The MOPT has stated that jumbo Bags are initially brought in as break bulk cargo and later the bags are broken and discharged into the hatches, as the importer requires the cargo in bulk at the receiver port. The cargo being hygroscopic (attracting moisture) cannot be transported in loose and are bagged in sealed jumbo bags.

It is relevant to state that cargo profile at the port falls under the domain of each port trust and depends on the cargo traffic of each port. Since the port has broadly followed the cargo classification prescribed in the guidelines, this Authority goes with the cargo classification proposed by the port. In the absence of any specific norms for these four cargo items in the Stevedoring and Shore Handling guidelines, this Authority relies on the proposal of the port in this regard.

(v). **Productivity Standards for Dry Bulk Cargo and Break bulk Cargo:**

(a). Clause 3.3 of the Stevedoring and Shore Handling Guidelines prescribes the productivity norms for dry bulk and break bulk cargoes. The MOPT has followed productivity norms for dry bulk except for a few items where the MOPT has considered the norms lower than the norms prescribed in the guidelines.

As regards Break Bulk Cargo, the port has considered lower productivity levels than the prescribed norms.

(b). Further, as stated earlier, the MOPT has proposed to include the following cargo groups for which no norms are prescribed in the stevedoring and shore handling guidelines:

Sl. No.	**Commodity**	**Productivity considered by MOPT (In tonnes/ per hook per shift)**
Dry Bulk		
1.	Alumina and Pig Iron ingots and similar dry bulk cargo (Mooring Dolphin)	550
2.	Wood Chips	750
Break Bulk		
3.	Jumbo Bags (Bleeding in Hatch)	350
4.	TMT/WR Bars [Thermo Mechanically treated Bars and Water Resistant Bards]	180

When the MOPT was requested to explain the reasons for categorizing the cargo items given above at serial nos.1 and 3 separately despite having proposed tariff for similar type of cargo in the proposal, the MOPT has stated that jumbo Bags are initially brought in as break bulk cargo and later the bags are broken and discharged into the hatches, which is time consuming process as the importer requires the cargo in bulk at the receiver port. The cargo being hygroscopic cannot be transported in loose and are bagged in sealed jumbo bags. The basis for handling rates considered for the other three cargoes is reportedly based the last three years actual handling rates achieved by it. However, the actual handling rate for last three years furnished by MOPT does not show these cargo items separately. In the absence of specific norms for the above four cargo items in the guidelines and based on the clarification furnished by MOPT, the productivity parameter considered by the port is relied upon in this analysis.

(c). Mormugao Stevedores Association (MSA) has requested that the productivity norm for container handling should be on per TEU basis as against the productivity norm prescribed in per tonne basis. The port was, therefore, specifically requested to review the unit of productivity norms for container in view of the point made by MSA. The MSA has reported that the best case average productivity for laden container is 55 TEUS and for empty containers in 65 TEUs, which appears to have been considered by MOPT.

If the International Standard, reported by the MSA of 14MT per TEU is considered, the productivity for laden container works out to 75 TEUs per hook per shift and for empty containers, the MSA has reported that it is 85 TEUs. As against these productivity norms, the proposal of the port is at a lower level of 55 TEUs for laden containers and 65 TEUs for empty containers, as suggested by the MSA. While considering the productivity levels proposed by MOPT, since they are reported to be the best achieved, the port is advised to revise the productivity levels for laden and empty containers upwards during the next review of tariff.

Based on the request made by the MSA and Container Lines, the port has vide its letter dated 21 February 2017 and 2 March 2017 modified the unit rate of levy for container from per tonne basis to per TEU basis. As against ₹180.62 per tonne for empty container and ₹34.40 per tonne for laden container, the port has in the modified proposal proposed ₹969.28 per TEU for empty container and ₹1145.52 per TEU for laden container. The MOPT has also furnished a copy of approval of its Board of Trustees for the modified rates.

Since the modification in the proposal of MOPT is based on the request of the trade and MOPT has forwarded the approval of its Board of Trustees, this Authority decides to go with the proposal of the port in this regard.

(d). The MSA has also pointed out that the optimal capacity for discharge / loading of certain cargoes like Granite, Fertilizers, Steel coils, Wood chips and Bagged cargoes are fixed on higher side and not based on the average statistics of the past. The Stevedoring and Shore handling Guidelines prescribe performance norms for these cargo items except wood chips. The port has followed in general the norms prescribed in the guidelines and furnished reasons for deviation from prescribed norms. The MOPT has also stated that based on the field condition and meeting held with the stevedores there are few deviations from the norms prescribed in the Stevedore and Shore Handling Guidelines.

(e). Annex – III of the Stevedoring & Shore handling Guidelines indicates the number of hooks per shift in respect of each of the cargo. The port has considered number of hooks per shift as per norms prescribed in the guidelines except for Coking Coal and Iron Ore Lumps/Pellets. As against prescribed norm of 4 number of hooks per shift, the MOPT has considered the 3 number of hooks per shift. The MOPT has stated that by experience, it has been observed that three hooks are operating with ease at any given point of time to achieve maximum throughput in a shift, due to limited space and manoeuvring constraints for the vehicles at the berths. The position furnished by the MOPT is relied upon as the port is the best judge for the operational matters.

(f). A comparative position of the normative productivity for dry bulk and break bulk cargo as per the Guidelines, the productivity level considered by the port based on the information furnished by MOPT is furnished in a statement attached as **Annex – I** for dry bulk cargo and break bulk cargo.

It is relevant here to state that none of the user/ user association have raised any objections for the productivity norms considered by the MOPT except for container which is dealt with in previous paragraph even though sufficient opportunity of being heard was given to them. Clause 1.8 of the Stevedoring and Shore handling Guidelines allows Authority to accept necessary adjustment in the norms based on the justification furnished by the Port Trusts keeping in view the port specific conditions having impact on the norms prescribed by the Guidelines. In view of the justification for deviation from prescribed norms as explained in the above analysis and in **Annex – I**, the productivity norms proposed by MOPT in respect of dry bulk and break bulk cargoes is considered.

(g). Clause 4.3 of the Stevedoring and Shore Handling Guidelines stipulates that optimal capacity for shore handling needs to match with the optimal capacity of the stevedoring operations. Accordingly, the optimal capacity of the shore handling operations for each of the commodity will be same as that for the stevedoring operations. The port has considered optimal capacity for shore handling operations at berth at par with the optimal capacity assessed by it for stevedoring operations.

(h). Apart from upfront proposed tariff for shore handling operations at berth for the methods relevant at its port , the port has also proposed shore handling rates for cargo handled at Mooring Dolphin and at Rail siding. In the absence of specific norms for shore handling of cargo at Mooring Dolphin and at Rail siding, the Port has considered the productivity for these two areas at par with the productivity parameters considered by it for handling at berth, though it may not be always possible to achieve productivity standards at Mooring Dolphin at par with productivity at berth, except for Aluminum and Pig Iron Ingots and similar dry bulk cargo. Productivity is different for this cargo. The port has stated that the objective is to consistently improve on higher productivity.

In view of above submissions and in the absence of specific norms in the guidelines, this Authority goes ahead with the proposal of the port in this regard.

(vi). **Rates for the Stevedoring Operations - Dry bulk and Break bulk:**

(a). As stipulated in Clause 3.5.2 of the Stevedoring and Shore Handling Guidelines, the Operating cost for the Stevedoring Operations are grouped under following major heads, viz., Equipment hire cost, Labour cost, Operational Overheads and Administrative Overheads.

(b). Equipment hire charge: (Dry Bulk Cargo and Break Bulk Cargo)

(i). Annex – VII to the Stevedoring and Shore handling Guidelines prescribes norms for estimation of equipment hire cost for stevedoring operations. As per the said Annex, for ship to shore operations, the normative handling equipment are ship crane or shore crane or HMC or combination of these handling equipments. The port has not estimated any HMC charges in equipment hire charges for arriving at Stevedoring rate. The port has stated that they have only one HMC in the port for which the rates are prescribed in the general revision of SOR of the port. The port has stated that a Ship Crane or a Shore Crane or a HMC or combination of these can be used for handling of cargo between Ship and Shore. The position reported by MOPT which is in line with the equipment norms prescribed in the guidelines is relied upon

As regards hatch working, norms prescribes Dozer 5T – 1 number per hatch, grabs 1 no. per hook for a few dry bulk cargo and for a few dry bulk cargo viz. coking coal and iron ore it is 1 no of excavator per hatch, 1 no of Grab per hook. It is seen that the MOPT has proposed deployment of Pay loaders in place of dozers and excavators. Apart from that port has also considered deployment of JCB for handling finished fertilizer. In this regard it is relevant to state that even KPT, had proposed pay loaders in place of dozers / excavators based on the local condition of the port which was accepted by this Authority.

Clause 1.8 of the Stevedoring and Shore handling Guidelines allows this Authority to accept necessary adjustment in norms based on justification furnished by the port keeping in view the port specific conditions. The MOPT has furnished justification for the deviation proposed in the type of the equipment for hatch working.

The MOPT has stated that, the stevedoring and shore handling operations in MOPT is carried out by the stevedores only. Further, given the physical constraint of the berth and apron the storage location, it would be practically difficult to fit in the normative requirement of equipments. The Port has, therefore, in consultation with the Stevedores, considered the optimum number of equipment for cargo handled. Hence, the deviation from the prescribed norms in equipments proposed for deployment in certain cases is less / more. The list of equipment put to use for handling various types of cargo has been reportedly provided by the Stevedores to the port. The port has stated that the Stevedores have the flexibility to use any equipment which would aid in achieving and / or increasing the productivity in a cost effective manner.

A comparative position of the equipment deployment proposed by MOPT for Stevedoring operation for hatch working vis-à-vis the norm prescribed in the Stevedoring and Shore Handling Guidelines and the justification for deviation, if any, as furnished by the MOPT is attached in a statement as **Annex – II** for dry bulk cargo and break bulk cargo

In view of the justification furnished by MOPT for deviation in equipment profile and keeping in view that none of the stakeholders consulted in this case objected to the equipment proposed to be deployed by MOPT and in view of clause 1.8 of the guidelines which allows this Authority to consider adjustment in norms based on justification of the port, the deviation in the type of the equipment for hatch working proposed by MOPT is considered.

(ii). As per the Stevedoring and Shore Handling Guidelines, the hire charges towards deployment of equipment is to be estimated based on the equipment hire cost prevailing at the relevant port locations or prevailing market based hire cost.

The MOPT has, in its proposal, estimated hire charges for equipments based on the estimates of the equipment hire cost for stevedoring (and shore handling) operations provided by the Stevedores as such details are reportedly not available with the port. The MOPT has confirmed that the charges of hire of equipment provided by the stevedores are reasonable. The position reported by the port is relied upon.

Thus, in short equipment hire cost as estimated by MOPT is relied upon and considered for fixation of upfront tariff for stevedoring and shore handling operations.

(c). **<u>Labour Cost for Stevedoring Operations</u>**:

(i). As per clause 3.5.7 of the Guidelines, labour deployment shall be as per the norms prescribed by the National Tribunal Award (NTA) as provided in Annex – VIII to the Guidelines and the unit rate will be the prevailing actual cost of labour for the quantum of the labour prescribed in the norms. The Guidelines also state that the prescribed norms and any other norms specifically given for a port shall be followed for calculation of labour cost.

(ii). The port was specifically requested to confirm that quantum of labour prescribed in the norms are as per the National Tribunal Award. The Port has stated that it supplies only labour for crane operations as per NIT awards. Since this point was not addressed specifically the point was reiterated to the Port. The MOPT has stated that the estimates of the labour hire cost for stevedoring (and shore handling) operations have been provided by the Stevedores as no such details are available with the port. The port has relied on the information provided by the Stevedores since the port does not have any database. Further, the port has clarified that port supplies only labour for crane operations as per NIT awards. Apart from crane operations, the entire labour requirements are arranged by the Stevedores. As per the guidelines, norms prescribed in the Guidelines and any other norms specifically given for a port shall be followed for calculation of labour cost. The port has categorically stated that port supplies labour only for crane operations as per NIT awards and that it has furnished the labour deployment done for stevedoring (and shore handling) operations which have been provided by the Stevedores as no such details are available with the port. None of the users/ user association consulted have raised any adverse remark in this regard. In the absence of the MOPT furnishing the details of labour cost as per the norms, the labour cost for stevedoring operations estimated by MOPT was compared with the labour cost for stevedores operations estimated by VOCPT which proposed rate for similar cargo. On such comparison it was found that the labour cost estimated by MOPT for most of the cargo are lower or comparable to the labour cost estimated by VOCPT is for stevedoring operations. On that basis the labour cost for stevedoring operation is considered as estimated by MOPT. The MOPT has also stated that the rates of labour in the State of Goa is much higher than any other part of the country. This aspect is presumed to be the reason wherever the labour cost is higher at MOPT as compared to VOCPT.

(iii). To our specific request to confirm whether the unit rate of labour per ship complies with the guidelines position, the MOPT has stated that the rates of labour in the state of Goa is much higher than any other part of the country. Further, since the local condition varies from port to port, higher rates have been taken. The port has categorically stated that port does not decide on the cost of labour. The port has considered the labour cost estimates after due deliberations and discussions with the stevedores which is relied upon in view of the submissions made by the MOPT.

(iv). The Stevedoring and Shore handling Guidelines do not stipulate any norms towards deployment of one Tindal for Dry Bulk operations. It was understood during processing of stevedoring and shore handling proposal of KPT, that Tindal who is the leader of the Gang is a mandatory requirement per shift. The MOPT was requested to examine the issue in light of above and make necessary modification in the proposal. The port supplies only labours for crane operations as per NIT award and hence deployment of Tindal is also the responsibility of the concerned stevedores. The port has confirmed that there is no designation of Tindal operating in the port. In one another case of V.O. Chidambaranar Port Trust (VOCPT) also, when this point was brought out, the VOCPT has clarified that Tindal is not deployed. The point made by MOPT is, therefore, accepted.

(d). Operational Overheads and Administrative Overheads.
Each of the Operational Overheads and Administrative Overheads has been estimated at 20% of the equipment hire cost and labour cost, which is as per the stipulation contained in Clause 3.5.8 and 3.5.9 of the Stevedoring and Shore Handling Guidelines.

(e). Margin.
As stipulated in Clause 5 of the Stevedoring and Shore Handling Guidelines, margin at 20% on the total operating cost has been considered by MOPT to arrive at the upfront stevedoring tariff.

(f). A working to arrive at the upfront stevedoring tariff for dry bulk cargo and break bulk cargo as furnished by MOPT and to be considered by this Authority based on the various parameters discussed above is attached as **Annex – III**.

(vii). **Rates for the Shore handling Operations:**

(a). As stipulated in Clause 4.5.2 of the Stevedoring and Shore Handling Guidelines, the Operating cost for the Shore Handling Operations are grouped under following major heads, viz., Equipment hire cost, Labour cost, Operational Overheads and Administrative Overheads.

(b). Equipment hire cost:

(i). Clause 4.4.1 and 4.4.2 of the Stevedoring and Shore Handling Guidelines lists down the five different handling methods that are adopted for shore handling operations of dry bulk cargo and four methods adopted for handling break bulk cargo. As stated earlier, the MOPT has proposed shore handling rates as per the Method five i.e. Cargo unloaded onto wharf and loaded onto trucks and transported to storage yard prescribed in the Guidelines for dry bulk cargo. In respect of break bulk cargo, the MOPT has proposed shore handling rates as per the Method four i.e. Cargo unloaded onto wharf and loaded onto trucks and transported to storage yard with in the port premises or vice versa as prescribed in the Guidelines. Slight deviation in some of the break bulk cargo for shore handling operations has been justified by MOPT. The MOPT has also stated that before sending the proposal to this Authority, it has discussed the proposal with all agencies carrying out (stevedoring and) shore handling operations. The methods of handling dry bulk and break bulk cargo for shore handling operations as envisaged by MOPT for proposing the rates for shore handling operations is considered.

(ii). Clause 4.5.6 of the Stevedoring and Shore Handling Guidelines stipulates that hire cost of Equipment to be taken on hire shall be estimated as per norms prescribed in Annex – IX and X of the Guidelines for dry bulk and break bulk cargo respectively.

(iii). (a). For Dry Bulk Cargo i.e. Coking Coal the normative list of equipment to be taken on hire are Payloaders 10T -6 nos. at berth, Trucks 15T-25 nos, Payloaders 10T- 4 nos. at storage yard as prescribed in Stevedoring and Shore handling guidelines. The MOPT has not considered any equipment cost for arriving of upfront tariff for Coking Coal Cargo. However MOPT has considered labour cost at ₹8,400 per shift to arrive at the upfront tariff rate for coking coal cargo at ₹5.23 per tonne.

(b). For Break Bulk Cargo i.e. Bagged Cargo the normative list of equipment to be taken on hire are Trucks 10T-9 nos. as prescribed in Stevedoring and Shore handling guidelines. The MOPT has not considered any equipment cost for arriving of upfront tariff for Bagged Cargo. However MOPT has considered labour cost at ₹16,809 per shift to arrive at the upfront tariff rate for Bagged Cargo at ₹37.65 per tonne.

As regards the deviation for the above cargo items, as explained in previous paras, the MOPT has stated that, the stevedoring and shore handling operations in MOPT are carried out by the stevedores only. Further, given the physical constraint of the berth and apron the storage location, it would be practically difficult to fit in the normative requirement of equipments. The Port has, therefore, in consultation with the Stevedores, considered the optimum number of equipment for cargo handled. The port has stated that the list of equipment put to use for handling various types of cargo have been provided by the Stevedores to the port. The port has stated that the Stevedores have the flexibility to use any equipment which would aid in achieving and / or increasing the productivity in a cost effective manner. Further MOPT has, in its proposal, estimated hire charges for equipments based on the estimates of the equipment hire cost for both stevedoring and shore handling operations provided by the Stevedores as no such details are available with the port. The MOPT has confirmed that the charges of hire of equipment provided by the stevedores are reasonable. The position reported by the port is relied upon.

(iv). A comparative position of the equipment deployment proposed by MOPT for Shore handling operation vis-à-vis the norm prescribed in the Stevedoring and Shore Handling Guidelines for the methods adopted by MOPT and justification furnished by the MOPT for deviation ,if any, from the prescribed norms is attached as **Annex – IV** for dry bulk cargo and break bulk cargo.

As seen from **Annex – IV** above, MOPT has justified the deviation in equipment proposed to be deployed for Stevedoring and Shore handling operations from the norm in the guidelines. Clause 1.8 of the Stevedoring and Shore handling Guidelines allows TAMP to accept necessary adjustment in norms based on justification furnished by the port keeping in view the port specific conditions. In view of the above provision in the guidelines and in view of justification furnished by MOPT for deviation from norms as brought out in said Annex, this Authority may consider to fix upfront tariff for shore handling operations based on the equipment profile proposed by MOPT.

The MOPT has, in its proposal, estimated hire charges for equipments based on the estimates of the equipment hire cost for both stevedoring and shore handling operations provided by the Stevedores as no such details are available with the port. The MOPT has confirmed that the charges of hire of equipment provided by the stevedores are reasonable. The position reported by the port is relied upon.

Thus, in short equipment hire cost as estimated by MOPT is relied upon and considered for fixation of upfront tariff for stevedoring and shore handling operations.

(c). Labour Cost:

(i). Clause 4.5.7 of the Stevedoring and Shore Handling Guidelines stipulates that the norm for estimating labour cost for shore handling operations at 5% and 10% of the equipment hire cost for dry bulk cargo ad break bulk cargo respectively.

However the MOPT has estimated the labour cost separately based on the manpower requirement provided by the stevedore citing details or database are not available with the port. When sought the reasons for deviation from the norms prescribed in the Stevedoring and Shore Handling Guidelines, the MOPT has stated that the labour cost may be restricted as per the guidelines. Thus, MOPT has not restrained this Authority from modifying the labour cost to fit as per the norms prescribed in the Guidelines. Accordingly, the labour cost has been modified at 5% of the equipment hire cost for Dry Bulk Cargo and 10% of the equipment hire cost for Break bulk cargo, as per the stipulation contained in Clause 4.5.7 of the Stevedoring and Shore Handling Guidelines or the labour cost estimated by MOPT whichever lower except for Granite Marble and Jumbo Bags for reasons explained in subsequent paragraphs.

Annex - X to the Stevedoring and Shore Handling Guidelines prescribes equipment norms for handling break bulk cargo under various methods. For shore handling operations for break bulk cargo, Method- 4 relates to cargo unloaded onto wharf and loaded onto trucks and transported to storage yard within the port premises or vice versa. As per Guidelines, this method is not applicable for Jumbo bags and Granite and marbles. Since, the MOPT envisages handling of these two cargos, the port has for assessing the upfront tariff for these cargoes, estimated equipment cost at ₹28,500 and

₹20,000 and labour cost at ₹16,800 and ₹26,100 per shift respectively. As regards Jumbo bags (bleeding in hatch) for which no norms are prescribed in the Guidelines, the MOPT has estimated equipment cost at ₹28,500 and labour cost at ₹18,608 respectively. If we go strictly as per norms, 10% labour cost for these three cargo comes to comes to ₹2850/-, ₹2000/- and ₹2850/- per shift.

In the case of VOCPT, for those break bulk cargo items for shore handling operations where the method is not applicable/ no equipment is envisaged in the guidelines, the port has estimated labour cost at ₹10,000 per shift and has requested this Authority to consider admittance of labour cost as a token for provision of labour as contingency. In this context, it is relevant here to state that even while disposing the stevedoring and shore handling tariff proposal of COPT, the port had pointed out that guidelines prescribes nil equipment or prescribe method not applicable for a few break bulk cargo items. If no equipment is assigned as per norms, then the labour cost which is linked to equipment hire cost will also be nil and consequently overheads, total cost will also be nil and it will not be possible to propose tariff for these few cargo items. In COPT and KPT, the ports have, based on their local condition of handling these break bulk cargo items, proposed equipment for these break bulk items and labour cost linked as percentage to the equipment hire cost as per the prescribed norms was considered.

In the case of VOCPT, based on the point made by the port the labour cost estimated by the port for Jumbo bags, Iron & Steel-coils and slabs/pipes, tubes, plates was allowed by this Authority in the upfront tariff fixation of shore handling operations for the methods envisaged by the port

In the instant case also, for the reasons explained above and in view clause 1.8 of the guidelines which allows this Authority to adjust the norms based on local conditions, the estimates of equipment hire cost and labour cost furnished by the MOPT in respect of Jumbo Bags, Jumbo Bags (Bleeding in Hatch) and Granite and Marbles are considered as estimated by the MOPT.

(ii). It is seen that the final rates approved by this Authority slightly varies from the rate proposed by the MOPT. This is mainly on account of the modification done in the estimation of labour cost for shore handling operations which has also led to modification in the operational overheads and administration overheads which are linked to the labour cost.

(d). Each of the Operational Overheads and Administrative Overheads have to be estimated at 20% of the equipment hire cost and labour cost, as per the stipulation contained in Clause 4.5.8 and 4.5.9 of the Stevedoring and Shore Handling Guidelines for shore handling operations. Consequent to modification in estimation of labour cost as explained above, the estimation of each of the Operation Overheads and the Administrative Overheads estimated by MOPT at 20% of total equipment hire and labour cost undergoes a modification. The Operation and Administrative Overhead are estimated at 20% on the total equipment hire cost and modified labour cost.

(e). As stipulated in Clause 5 of the Stevedoring and Shore Handling Guidelines, margin at 20% on the total operating cost has been considered by to arrive at the upfront shore handling tariff.

(f). The cost statement for determination of the upfront tariff for shore handling operations for dry bulk cargo and break bulk cargo as furnished by MOPT and considered by this Authority subject to minor corrections as explained above, based on the various parameters discussed above is attached as **Annex – V**.

(viii). **Rates for Shore handling at Mooring Dolphin and Rail Siding:**

(a). As stated earlier, Stevedoring and Shore Handling Guidelines do not prescribe any norms for shore handling activities at Mooring Dolphin and Rail Siding. The MOPT has proposed upfront tariff rates for four dry bulk categories namely (i). Coking Coal, (ii). Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Lead and Zinc Ore, (iii). Other Ores, Minerals and (iv). Alumina, Pig Iron ingots and similar Dry Bulk Cargo (MD) for Shore handling operation at Mooring Dolphin. As stated earlier Stevedoring and Shore Handling Guidelines do not prescribe any norms for shore handling activities at Rail Siding. The MOPT has proposed upfront tariff rates for two dry bulk categories namely (i) food grain (ii) Limestone, Dolomite, Clinker, Clay, Sand and Other Similar Dry Bulk Cargo for shore handling operations at Rail Siding. The MOPT has proposed upfront tariff rates for three categories of Break Bulk Cargo namely (i) Iron, Steel-Coil and Slabs, (ii) TMT/WR Bars (iii) Granites and Marbles at Rail Siding.

(b). The MOPT has broadly followed the methodology prescribed in the Stevedoring guidelines for arriving at the rates for these cargo items at mooring dolphin and rail siding.

(c). In the absence of any equipment norms prescribed in the guidelines for handling these cargo at Rail siding and Mooring dolphin, the equipment profile as estimated by the MOPT and the equipment hire cost as estimated by the port is considered.

(d). Clause 4.5.7 prescribe the norms and estimate of labour cost for shore handling operation at 5% of the equipment hire cost for Dry Bulk Cargo. As against this, the MOPT has considered labour cost based on the manpower requirement provided by the stevedores citing details or data base are not available with the port. It is relevant to state that the MOPT has applied the same methodology for arrival of tariff for shore handling operations at berth which is already explained in above paras. Based on the reply of MOPT that labour cost is restricted as per the guidelines, the labour cost has been modified at 5% of the equipment hire cost for Dry Bulk Cargo and 10% for Break Bulk cargo, as per the stipulation contained in Clause 4.5.7 of the Stevedoring and Shore Handling Guidelines or the labour cost estimated by MOPT whichever is lower except for Granite Marble for reasons explained earlier.

(e). Each of the Operational Overheads and Administrative Overheads have to be estimated at 20% of the equipment hire cost and labour cost, as per the stipulation contained in Clause 4.5.8 and 4.5.9 of the Stevedoring and Shore Handling Guidelines for shore handling operations. Consequent to modification in estimation of labour cost as explained above, the estimation of each of the Operational Overheads and the Administrative Overheads estimated by MOPT at 20% of total equipment hire and labour cost undergoes a modification. The Operation and Administrative Overhead are estimated at 20% on the total equipment hire cost and modified labour cost.

(f). As stipulated in Clause 5 of the Stevedoring and Shore Handling Guidelines, margin at 20% on the total operating cost has been considered by to arrive at the upfront shore handling tariff.

(g). In the absence of specific norms for determination of upfront for Shore Handling Operations at Mooring Dolphin and Rail Siding, the cost statement for determination of the upfront tariff for shore handling operations at Mooring Dolphin for dry bulk cargo and at Rail Sidling for dry bulk and break bulk cargo as furnished by MOPT is considered by this Authority subject to modifications as explained above attached as **Annex – VI** & **VII.**

(ix). Based on the above analysis and taking into consideration the submissions made by the MOPT and recognising that the proposal is filed by MOPT with the approval of the MOPT Board, the upfront Stevedoring and Shore Handling Charges for dry bulk cargo and Break bulk cargo is approved as proposed by the Port in its proposal with some modification as discussed above.

(x). (a). As per clause 7.1 of the Stevedoring and Shore Handling Guidelines, the operator is entitled for 100% WPI indexation in tariff instead of 60% WPI indexation on achievement of Performance Standard as prescribed in the Berthing Policy issued by the Ministry of Shipping vide letter no.PD-11033/73/2013-PT (pt) dated 16.06.2016 for dry bulk cargo. The port was, therefore, requested to confirm that the proposed Performance Standards is based on the berthing policy issued by MOS dated 16.06.2016 as required in the said guidelines. If not, the port was requested to consider to propose Performance Standards for dry bulk cargo as per the Berthing Policy as provided in the clause 7.1. of the Stevedoring and Shore Handling Guidelines. The MOPT in response has stated that the performance norms worked out by MOPT is based on guidelines of the Ministry of Shipping and have made suitable modification in the performance standard to meet the local conditions and constraints of space. The Performance Standards proposed by MOPT and our analysis thereon is given below:

(a). Performance Standards proposed by MOPT for Dry Bulk Cargo for 100% indexation of Ceiling Tariff.

(i). Clause 7.1 of the Guidelines stipulates the Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT (pt) dated 16 June 2016 for dry bulk cargo for 100% indexation in tariff.

(ii). The Performance Standards proposed by MOPT Dry Bulk Cargo for 100% indexation is at par with the performance standards considered by the port for fixation of upfront tariff for stevedoring and shore handling operations.

This Authority has approved penalty / disincentive scheme following the Berthing Policy announced by the MOS for other Major Ports viz. Jawaharlal Nehru Port Trust (JNPT), Kolkata Port Trust (KOPT), Cochin Port Trust (COPT) and New Mangalore Port Trust (NMPT) based on the proposals filed by each of these ports.

Since Clause 7.1 of the Stevedoring and shore handling Guidelines stipulates the Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT (pt) dated 16 June 2016 for dry bulk cargo for 100% indexation in tariff, a note is prescribed stating that the performance Standards for dry bulk cargo shall be as per the Berthing Policy issued by the MOS. The MOPT is advised to file a separate proposal for performance standards for dry bulk cargo under the Berthing Policy issued by the MOS within one month from the date of notification of the Order in the Gazette of India.

(b). **Performance Standards proposed by MOPT for Break Bulk cargo:**

As per clause 7.1 of the guidelines. Performance Standard for cargo other than Dry Bulk cargo shall be prescribed by respective port for 100% indexation in SOR.

Thus, for break bulk cargo, the Stevedoring and Shore handling guidelines stipulates that the Performance Standards prescribed by the respective ports, will be applicable. That being so, the performance standards for break bulk cargo is approved as proposed by the port subject to minor modification as explained in the subsequent paragraph.

The Performance standards proposed by MOPT for the break bulk cargo items is on per shift per hook basis which is same as considered by the port for arriving at the optimal capacity on per shift basis. Since the upfront tariff is proposed on per shift basis, the productivity is prescribed on per shift basis instead of shift per hook basis proposed by the port. This is in line with the productivity on per shift basis prescribed in VOCPT. In case of KPT and COPT cases the productivity is prescribed on per day basis considering three shift per day.

(xi). (a). While approving ad-hoc tariff, this Authority has approved terms and conditions commonly for all Major Port Trust. The MOPT has proposed to define the term 'Coastal Cargo' as any cargo, which the vessel discharges at one Indian port after shipment from another Indian port or vice versa irrespective of its actual origin or destination and the MOPT has also proposed to define the term "Foreign Cargo" as any cargo other than coastal cargo. It is relevant to state that the definition of the term "Coastal Cargo" and "Foreign Cargo" are not prescribed in any other Major Port Trusts. Hence it is not found appropriate to prescribe the definition exclusively for MOPT.

(b). The MOPT has proposed to define the term "Tonne" or "MT" as one Metric Tonne of 1000 kilograms or one cubic meter which is approved as proposed by the MOPT.

(c). The definitions of other relevant terms prescribed by this Authority while approving adhoc upfront tariff schedule for Stevedoring and Shore Handling at MOPT are prescribed in the upfront tariff schedule while approving the final rates.

(xii). The MOPT has proposed some notes under the General Terms and Conditions, which are discussed hereunder:

(a). The MOPT has proposed a note under General Terms & conditions stating that handling charges for transhipment container shall be concessional rate not exceeding 1.5 times the handling charges for normal handling operation in loading or unloading cycle . The proposed note is in line with note no 2.8 of the Stevedoring guidelines read with clause 9.6 of the Working Guidelines issued by this Authority under Tariff Policy 2015 and hence same is incorporated in upfront tariff schedule for stevedoring and shore handling operations as proposed by port.

(b). The MOPT has proposed following notes under the General Terms and Conditions at serial no.(xii) to (xv):

(i). The individual contract/ service level agreement entered into between the Stevedore and their Principal shall not be binding on the Port in any way whatsoever.

(ii). Notwithstanding, any agreement / understanding between the Stevedore and their Principal, the Stevedore shall be bound to attain the operational performance norms as specified by the Port from time to time.

(iii). The Stevedoring operations shall be governed by the Stevedoring Policy issued by the Ministry of Shipping from time to time and on payment of such licence fees as shall be decided by the Board of Trustees, Mormugao Port Trust.

The above notes appears to be terms and conditions to be included by Port in individual contract / agreement with stevedores / shore handling operators. Hence, need not form part of the SOR.

(c) The note proposed by MOPT that Stevedores shall comply with the policy direction set out by the Government from time to time like coastal cargo /containers, etc. which have bearing on the determination of the tariff is incorporated as proposed by the port.

(d). Other general terms and conditions prescribed in the ad-hoc upfront tariff approved by this Authority in the Order dated 8 February 2017 are continued to be prescribed in the final upfront tariff schedule as well, as they are found relevant.

(xiii). As per Clause 2.10 of the Stevedoring and Shore Handling Guidelines, tariff caps will be indexed annually to the inflation to the extent of 60% variation in Wholesale Price Indexed (WPI) announced by the Government of India occurring between 1 January and 31 December of the relevant year and the adjusted indexed SOR will come into force from 1 April of the relevant year to 31 March of the following year. The port has not furnished any documentary evidences in form of quotations / Budgetary estimates in respect of the estimates of equipment hire charges considered by the port. The port has said that the estimates have been obtained from the stevedores. Since this estimates were furnished by the port in its proposal in the year 2016, the base year for WPI escalation is prescribed as 01 January 2016. Accordingly, a suitable note is prescribed in the upfront tariff schedule for Stevedoring and Shore Handling operations.

(xiv). Clause 2.8 of Stevedoring & Shore Handling Guidelines states that Major Port Trusts should comply with the policy direction set out by the Government from time to time like coastal cargo/ containers etc. One of the policy directions issued by the (then) MOS, Road and Transport and Highways (MSRTH) relates to concessional rate for coastal vessel and coastal cargo. As per para 3 (iii) and 5(2.2) of Order No. TAMP/4/2004-Genl. dated 07 January 2005 passed by this Authority based on the said policy direction of the MSRTH, the concessional tariff need to be prescribed for cargo handling charges at 60% of the rate for foreign for all the relevant handling charges i.e. ship-shore transfer and transfer from quay to storage yard including wharfage except thermal coal, POL including crude oil, iron ore and iron ore pellets which are not eligible for Coastal Concession. The policy direction issued by the (then) MSRTH is uniformly applied at all the Major Ports and Private Terminal Operators governed under 2005, 2008 and 2013 guidelines while setting their tariff.

The port has, while arriving at the proposed rate, not considered the share of foreign cargo / coastal cargo and also not considered the impact of coastal concession while arriving at the proposed tariff.

To our specific clarification sought from the MOPT, the MOPT has stated that Private players are not given any subsidies by the Government and as such it would not be prudent to expect the stevedore to extend any concession to coastal cargo. Alternatively, foreign rates need to be increased to bring about a parity for handling coastal rates. Also, these ceiling rates, are over and above the rates payable by the stevedore to the Port as per the SOR, in which concession for coastal has already been provided. Any activity that includes deployment of equipment and local labour for handling any cargo, entails the same cost whether for foreign and coastal and there being no concession for the consumables, fuels and wages procured from the local market, it would bring about a disparity in the value of service. Hence, MOPT has felt that concessional tariff of stevedoring and shore handling charges for coastal cargo cannot be prescribed. As such, the port has requested that rates in the proposal may kindly be treated as coastal rates and the rates for foreign is increased suitably.

It is relevant here to mention that the Cochin Port Trust (COPT) while processing its proposal for fixation of upfront tariff for the stevedoring and shore handling operations made a similar request for non-prescription of concessional tariff for coastal cargo on the grounds that coastal concession is not advisable in the tariff for stevedoring and shore handling operations mainly because multiple firms carry out stevedoring and shore handling operations at Major Ports except in the case of Mumbai Port Trust (MBPT) with varying mix of foreign and coastal cargo with some firms handling only foreign or coastal cargo. When multiple firms are engaged in stevedoring and shore handling operations at Major Ports except MBPT with varying mix of foreign and coastal cargo, prescription of coastal concession will result in undue increase in tariff for foreign cargo, which may have unintended consequences. The other ports like Visakhapatnam Port Trust (VPT) and Kandla Port Trust (KPT) have also made similar points.

In view of the above position, the Ministry of Shipping (MOS) has been requested in January 2017 to examine whether the policy direction for prescription of concessional rate for eligible coastal cargo need to be applied while fixing tariff under the stevedoring and shore handling operations. The response of MOS is awaited.

In view of Clause 2.8. of the Stevedoring and shore handling guidelines and also recognising that the Coastal concession policy issued by the Government stipulates grant of coastal concession on all charges prescribed for ship-shore transfer and transfer from quay to yard and since the activities involved under the stevedoring and shore handling operations also include these activities, this Authority is bound to comply with the coastal concession policy while approving upfront tariff for stevedores and shore handling operations. Accordingly, concessional rate for Coastal cargo is prescribed as per coastal policy direction issued by the MOS in the upfront tariff schedule in line with prescription at all the other Major Port Trusts. Further, the MOPT has proposed rate for iron ore and iron ore pellets which are not eligible for coastal concession as per the coastal concession policy of the Government. That being so, the cost statement furnished by MOPT as well as the SOR are corrected by prescription of uniform rate for this cargo item for foreign and coastal cargo in tandem with the coastal concession policy of the MOS.

If the response of the MOS to be received on the matter referred to the MOS is different from the stand taken above, a suitable amendment will be issued at that point of time, in consultation with MOPT.

(xv). In the general revision Order of the MOPT, the port has requested that this Authority may go ahead with the proposed rationalised tariff for stevedoring proposed in the general revision proposal till such time as the SOR under the new guidelines for Stevedoring and Shore Handling operations is implemented. This Authority accordingly while approving the general revision of the SOR has approved the proposed tariff for stevedoring till such time the rates based on separate proposal filed by MOPT under the new guidelines for Stevedoring and Shore Handling operations are implemented. As regards shore handling operations as well, till such time the rates for shore handling operations are determined under new guidelines for Stevedoring and Shore Handling operations based on current proposal filed by the port, this Authority finds it appropriate to retain the existing schedule for shore handling operations in the revised proposed SOR. Thus, the existing SOR of the MOPT approved by this Authority prescribes the rate for stevedoring and shore handling operations.

During the proceeding of this case, the MOPT has stated that the Stevedoring and Shore Handling charges prescribed in the existing SOR under the general revision proposal will continue to be levied by the port. In this context, bringing out the above position, it was brought out to the port the stand now taken by the MOPT appears to be different from its earlier clarification. The port was, therefore, requested to furnish the reasons to continue with the existing rates prescribed in the SOR for stevedoring and shore handling along with the tariff sought for approval under the stevedoring and shore handling Guidelines proposed by the port. The port was also requested to explain the nature of services provided with reference to rate for stevedoring and shore handling operations prescribed in the existing SOR and confirm that there is no double counting of the cost elements considered in the stevedoring and shore handling rate prescribed in the general revision of SOR and the tariff proposed under the stevedoring and shore handling guidelines.

In this regard, the port has clarified that the rate prescribed in the General Revision of Scale of Rates are approved by this Authority for providing services by the port to its customers. The port provides services like gangs, crane operator to operate ships crane, signallers, etc. HMC for which the rates are specified in the General Revision of Scale of Rates. The MOPT has stated that upfront tariff for Stevedoring and Shore handling operations are the ceiling rates to be charged by the stevedores to their customers for providing services like private labour, equipment etc. and which are over and above the rates paid by the stevedores to the port. In view of the above stand taken by MOPT, the schedule 2.4.1(A) and (B) approved in the general revision of SOR is allowed to be retained for the present. The MOPT is advised to review these items and come up with a suitable proposal within two months from the date of notification of the Order in the Gazette of India.

(xvi). The Goa Mineral Ore Exporters' Association (GMOEA) has stated that the Stevedoring Policy provides for the port to collect a royalty (or revenue share) on the tariff for Stevedoring / shore handling operations. The Port tariffs have already very recently been revised and fixed by TAMP vide order dated November 17, 2016 and, therefore, this will be an additional port charge levied on the users which increases the cost of doing business. GMOEA has objected to royalty on stevedoring / shore handling operations and have stated that this may also be brought to the kind attention of the Ministry for Shipping.

In this regard as stated by MOPT, Clause 3(v) of the Stevedoring and Shore Handling Policy for Major Ports, 2016 issued by the MOS stipulates that the Port shall fix a per metric tonne royalty as the license fee from the Stevedoring and Shore Handling agents. Clause 3.5.5 and 4.5.5 of the stevedoring and shore handling guidelines explicitly stipulate that revenue share will not be considered as cost for determination of tariff. Further, clause 3.5.5. (a) of the guidelines stipulates the methodology to be adopted by the concerned Port Trust to fix per metric tonne royalty. The port is bound by the guidelines issued by the MOS which is explicit in the matter. The Port has during processing of this case mentioned that it shall fix royalty in a simplified per tonne Royalty for both Stevedore and Shore handling operations. In any case, fixation of royalty is beyond the mandate of this Authority. It falls under the domain of the concerned Port Trust.

(xvii). (a). Clause 2.11. of the Stevedoring and Shore Handling Guidelines states that before commencement of the stevedoring and or the shore handling operations, the operator will approach this Authority for notification of the Scale of Rates containing the ceiling rates of the stevedoring and or the shore handling charges and performance standards as required under Section 48 of the Major Port Trust Act, 1963. As per Clause 2.3 of the Stevedoring and Shore Handling Guidelines, once the upfront tariff caps are set out for stevedoring and shore handling operations of various commodities for a port, it will be applicable uniformly to the entire port where the stevedoring and shore handling operations are carried out by private agencies or firms and will be valid for a period of three years.

It is relevant to state that as per clause 2.3 of the Stevedoring and Shore Handling guidelines, upfront tariff for Stevedoring and Shore Handling operations approved by this Authority has 3 years validity period. That being so, the validity of the upfront tariff approved by this Authority in this Order is prescribed for 3 years from the date of its implementation in line with the guidelines which is binding both on MOPT and this Authority.

(b). It is relevant here to state that this Authority in consultation with all the Major Port Trusts had already, with reference to regulation of rates for provision of services by person authorised under Section 42 of the Major Port Trusts Act, 1963, decided that regulation of tariff can be done for the port as a whole without reference to individual service providers. Accordingly, this Authority had decided that ceiling tariff will be prescribed for a particular port and the port trust concerned will ensure their application to authorised service provider by making it a condition of authorisation in terms of Section 42(3) of the Major Port Trusts Act, 1963, while issuing the license. The said decision of this Authority was communicated to all the Major Ports and MOS vide letter No.TAMP/47/2000-MBPT dated 06 May 2002.

In view of the above position and keeping in view Clause 2.3. of the Stevedoring and Shore Handling Guidelines, this Authority may advise the port to apply the ceiling rates (to be) approved to the authorised individual stevedoring and shore handling operator, by making it as a condition of authorization, while issuing licenses, for a period of 3 years. Thus, the port is requested to take necessary action for implementation of the upfront tariff for Stevedoring and Shore Handling operations along with Performance Standards.

(xviii). (a). As per clause 2.7 of the Stevedoring and Shore Handling Guidelines, the upfront tariff approved by this Authority are ceiling levels; rebates and discounts are floor levels. The authorised individual stevedoring and shore handling operator may exercise the flexibility to charge lower rates and/or allow higher rebates and discounts.

(b). As per clause 2.9 of the Stevedoring and Shore Handling Guidelines, the authorised individual stevedoring and shore handling operator shall charge only for services provided by them. No notional booking of labour and other similar notional charges would be permitted

(xix). This Authority while approving upfront tariff for Stevedoring and Shore handling operations on adhoc basis vide Order No.TAMP/67/2017-VOCPT dated 08 February 2017 has stated that the final rates to be approved by this Authority will have prospective effect. Accordingly, the final rates approved by this Authority in this Order will come into effect prospectively after expiry of 30 days from the date of notification of the Order in the Gazette as per the general approach followed by this Authority. As stated in the interim Order dated 08 February 2017, the interim rates adopted in an adhoc basis will be recognized as such. There will not be any question of refund/ recovery, if any, in case of variation between the adhoc rates and final rates as held by this Authority in the interim Order dated 08 February 2017.

(xx). If any error apparent on the face of record or for any other justifiable reasons, the MOPT may approach this Authority for review giving adequate justification / reasoning within 30 days of notification of the Order in the Gazette of India. If port users / user association have any issue they may approach the port.

13.1. In the result, and for the reasons give above, and based on a collective application of mind, this Authority approves the Schedule of Upfront Stevedoring and Shore Handling Charges alongwith the Performance Standards for the MOPT attached as **Annex - VIII** and **IX** respectively.

13.2. The ceiling rates approved may be applied to the authorised individual stevedoring and shore handling operator, by making it as a condition of authorization, while issuing licenses, for a period of 3 years. The approval accorded may automatically lapse thereafter unless specifically extended by this Authority. The port is advised to take necessary action for implementation of the upfront tariff for Stevedoring and Shore Handling operations along with Performance Standards.

13.3. As stipulated in Clause 2.4. of Stevedoring and Shore Handling Guidelines, the upfront tariff and performance standards notified by TAMP will be mentioned in the agreement in respect of the operator.

13.4. The indexation of upfront Stevedoring and Shore Handling Charges as provided in Clause 2.10 of the Stevedoring and Shore Handling Guidelines is to be read with Clause 7 of the Stevedoring and Shore Handling Guidelines. If the Operator does not achieved the prescribed performance standards as per Annex - XIV in previous 12 months, the operator will not be entitled for 100% WPI indexation and the operator will continue to levy the tariff with 60% indexation as prescribed in Clause 2.10 of the Stevedoring and Shore Handling Guidelines.

13.5. As stipulated in Clause 8.1. of Stevedoring and Shore Handling Guidelines, the operator shall furnish to the MOPT and TAMP, annual reports on cargo traffic, ship berth day output, per shift output within a month following the end of financial year in respect of stevedoring/ shore handling operations licensed by the port. Any other information which is required by TAMP shall also be furnished to them from time to time.

13.6. As stipulated in Clause 8.2. of Stevedoring and Shore Handling Guidelines, TAMP shall publish on its website all such information received from operators and Major Port Trusts. However, TAMP shall consider a request from any operator or Major Port Trust about not publishing certain data/information furnished which is commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/information in question and the likely adverse impact on their revenue/operation of upon publication. TAMP's decision in this regard would be final.

13.7. (i). As stipulated in Clause 9.1. of Stevedoring and Shore Handling Guidelines, the performance norms prescribed for various commodities shall be the minimum should be achieved by the Operator. These performance norms shall be incorporated in the agreement in respect of the operator.

(ii). As stipulated in Clause 9.2. of Stevedoring and Shore Handling Guidelines, the performance actually achieved by the operator shall be monitored by both the MOPT and the TAMP on a quarterly basis. In the event of any shortfall in achieving the performance prescribed, the Port will initiate action on the operator as per the terms contained in the agreement entered into with the operator by the Port.

13.8. As stipulated in Clause 10 of Stevedoring and Shore Handling Guidelines, in the event any user has any grievance regarding non-achievement by the operator of the Performance Standards as notified by the TAMP, he may prefer a representation to TAMP which, thereafter, shall conduct an inquiry into the representation and give its finding to the MOPT. The MOPT will be bound to take necessary action on the findings as per the provisions of the contract conditions of the Agreement.

(T.S. Balasubramanian)
Member (Finance)

Annex - I

Mormugao Port Trust

Comparative position of the productivity norms prescribed in the Stevedoring and Shore handling guidelines vis-a-vis the parameters taken into account by the MOPT to arrive at the proposed productivity levels and justification for deviation from the prescribed norms furnished by MOPT.

Stevedoring operations

Sl.No.	Commodity group	Productivity norms			No. of hooks per shift			Productivity (in tonnes per shift) (rounded off)	Justification for deviation, if any, as explained by MOPT
	As per Guidelines	As per Guidelines per hook	As proposed by Port per hook	Deviation from norm	As per Guidelines	As proposed by Port	Deviation from norm		
	Dry bulk								
1	Finished Fertilizers	900	725	Yes	3	3	No	2175	Usually older and smaller capacity vessels carry fertilizers, hence crane capacity is less.
2	Food Grains	660	560	Yes	3	3	No	1680	Labour intensive work, Multiple operations in shed at berth etc.
3	Coking Coal	900	900	No	4	3	Yes	2700	1. Discharged directly into barges, hence tides, weather, under currents and availability of barges can affect the discharge. 2. In respect of deviation in number of hooks per ship the port stated that by experience, it has been observed that three hooks are operating with ease at any given point of time to achieve maximum through put in a shift, due to limited space and manoeuvring constraints for the vehicles at the berths.
4	Iron Ore,Iron Ore Pellets, Bentonite, Bauxite, Copper Con Led & Zinc.Ore	1460	950	Yes	4	3	Yes	2850	1. Loaded directly into barges, hence tides, weather, under currents and availability of barges can affect the discharge. 2. As regards deviation in cooking coal, refer justification by MOPT at Sl. No. 3.
5	Other Ores and Minerals	870	870	No	3	3	No	2610	No deviation
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	1080	900	Yes	3	3	No	2700	Loaded directly into barges, hence tides, weather, under currents and availability of barges can affect the discharge
7	Alumina and Pig Iron ingots and similar dry bulk cargo	1120	725	Yes	3	3	No	2175	The productivity is directly linked to berth availability. At Mormugao Port, there are only two general cargo berths and the Port are operating with only one HMC at present. Further, being a conventional berth, adequate space is not available to deploy more number of trucks/trailers for feeding the crane and as a result it affects the loading operation.
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (Mooring Dolphin)	No Norm	550	-	3	3		1650	-

9	Wood Chips	No Norm prescribed	750	-	-	3		2250	-
	Break bulk								
1	Bagged cargo	300	300	No	2.5	2.5.	No	750	No deviation
2	Jumbo Bags	560	400	No	2.5	2.5.	No	1000	Bagged cargo is stored in twin decks / comings. Vehicle movement in sheds.
3	Jumbo Bags (Bleeding in Hatch)	No Norms	350	N/A.	No Norms	2.5	N/A.	875	Jumbo Bags are initially brought in as break bulk cargo and later the bags are broken and discharged into the hatches, which is time consuming process as the importer requires the cargo in bulk at the receiver port. The cargo being hygroscopic cannot be transported in loose and are bagged in sealed jumbo bags.
4	Iron and steel- coils and slabs	1360	600	Yes	2.5	2.5	No	1500	Stowage inside holds, lashing of each layer, storage & movement.
5	Iron and steel- pipes, tubes, plates	280	280	No	2.5	2.5	No	700	No deviation
6	TMT/WRBs	No Norms	180	N/A.	No Norms	2.5	N/A.	450	No deviation
7	Granites and Marbles	500	500	No	2	2	No	1000	No deviation
8	Containers Empty*	200 (Tonnes)	65 (TEUs)	No	2	2	No	130	Due to request of Users/Users Association the MOPT has proposed the unit of levy for container to per TEU basis instead of per tonne basis.
9	Containers Laden*	1050 (Tonnes)	55 (TEUs)	No	2	2	No	110	

* The MOPT vide its letter dated 2 March 2017 has changed the productivity for container from per tonne basis to PER TEU basis.

Annex - II

Comparative position of the equipment norms prescribed for Stevedoring operations for hatch working in the Stevedoring and Shore handling Guidelines vis-à-vis equipment deployment proposed by MOPT is tabulated below:

A. **Dry Bulk Cargo:**

Sl. No.	Group	Handling equipments for ship to shore		Handling equipment for hatch working		No. of hatch worked per shift		Justification furnished by MOPT for deviation, if any, from the prescribed norms as regarding hatch working.
		Norms as per guidelines	Proposed by MOPT *	Norms as per guidelines	Proposed by MOPT	Norms as per guidelines	Proposed by MOPT	
1	Finished Fertilizers	Ship Crane or Shore Crane or HMC or combination of these - 3 nos.	Ship Crane or Shore Crane or HMC or combination of these.	Dozer 5T – 1 No. Per hatch, Grabs – 1 No. / hook	3 Pay loaders, 2 JCB	3	3	(i). The list of equipment put to use for handling various types of cargo has been provided by the Stevedores. (ii). The stevedoring and shore handling operations in MOPT is carried out by the stevedores only. Further, given the physical constraint of the berth and apron the storage location, it would be practically difficult to fit in the normative requirement of equipments. (iii). The Port has, therefore, in consultation with the Stevedores, considered the optimum number of
2	Food Grains	Ship Crane or Shore Crane or HMC or combination of these - 3 nos.	Ship Crane or Shore Crane or HMC or combination of these.	Dozer 5T – 1 No. Per hatch, Grabs – 1 No. / hook	4 Iron mesh and 4 Grabs and Pay loader Big - 3	3	3	
3	Coking Coal	Ship Crane or Shore Crane or HMC or combination of these - 4 nos.	Ship Crane or Shore Crane or HMC or combination of these.	Excavator – 1 No. per hatch, Grab – 1 No. / hook	3 Pay loaders	4	3	
4	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	Ship Crane or Shore Crane or HMC or combination of these - 4 nos.	Ship Crane or Shore Crane or HMC or combination of these.	Excavator – 1 No. per hatch, Grab – 1 No. / hook	3 Pay loaders Small and 2 Pay loaders Big	4	3	
5	Other Ores and Minerals	Ship Crane or Shore Crane or HMC or	Ship Crane or Shore Crane or HMC or	Dozer 5T – 1 No. Per hatch, Grabs – 1 No. / hook	3 Pay loaders	3	3	

		combination of these 3 nos.	combination of these.					equipment for cargo handled. Put in a shift, due to limited space and manoeuvring constraints for the vehicles at the berths. [No user / user Association has objected to the proposed equipment deployment]
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	Ship Crane or Shore Crane or HMC or Combination of these 3 nos.	Ship Crane or Shore Crane or HMC or Combination of these.	Dozer 5T – 1 No. Per hatch, Grabs – 1 No. / hook	3 Pay loaders 10T inside each hold for collecting cargo and 2 Excavator	3	3	
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	Ship Crane or Shore Crane or HMC or Combination of these 3 nos.	Ship Crane or Shore Crane or HMC or Combination of these.	Dozer 5T – 1 No. Per hatch, Grabs – 1 No. / hook	3 Pay loaders	3	3	
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (Mooring Dolphin)	Ship Crane or Shore Crane or HMC or Combination of these 3 nos.	Ship Crane or Shore Crane or HMC or Combination of these.	Dozer 5T – 1 No. Per hatch, Grabs – 1 No. / hook	3 Pay loaders	3	3	
9	Wood Chips	No norms prescribed.	Ship Crane or Shore Crane or HMC or Combination of these.	No norms prescribed.	5 Pay loaders and 4 Excavator	No norms prescribed.	3	

* The productivity is directly linked to berth availability. At Mormugao Port, there are only two general cargo berths and the Port is operating with only one HMC at present.

B. Break Bulk Cargo:

Sl. No.	Group	Handling equipments for ship to shore		Handling equipment for hatch working		No. of hatch worked per shift		Reasons for deviation, if any, as explained by MOPT
		Norms as per guidelines	Proposed by MOPT	Norms as per guidelines	Proposed by MOPT	Norms as per guidelines	Proposed by MOPT	
1	Bagged cargo	By net slings (maximum load 5T) and hooks if required	By net slings (maximum load 5T) and hooks if required	No Equipment	5 Trucks, 2 Pay loaders and 7 Net Slings	2.5	2.5	(i). The list of equipment put to use for handling various types of cargo have

2	Jumbo Bags	By hooks	By hooks	DFLT 5T – 1 No.	3 Forklifts (3 T), 6 Chain Slings and 1 Spreader.	2.5	2.5	been provided by the Stevedores. (ii). Unlike other Ports, the stevedoring and shore handling operations in MOPT is carried out by the stevedores only. Further, given the physical constraint of the berth and apron the storage location, it would be practically difficult to fit in the normative requirement of equipments. (iii). The Port has, therefore, in consultation with the Stevedores, considered the optimum number of equipment for cargo handled. [No user/ user Association has objected to the proposed equipment deployment pattern]
3	Jumbo Bags(Bleeding in Hatch)	By hooks	By hooks	DFLT 5T – 1 No.	3 Forklifts (3 T), 6 Chain Slings and 1 Spreader.	2.5	2.5	
4	Iron and steel- coils and slabs.	By ship cranes using wire rope slings attached to the hooks	By ship cranes using wire rope slings attached to the hooks	DFLT 30T – 1 No.	5 Forklift of 32 T inside each holds for collections.	2.5	2.5	
5	Iron and steel- pipes, tubes, plates	By ship cranes using slings	By ship cranes using slings	DFLT 30T – 1 No.	5 Forklift of 20 T inside each holds for collections.	2.5	2.5	
6	TMT/WR Bars	No norms prescribed.	By ship cranes using slings	No norms prescribed.	10 Nos. of Forklift of 25 tonnes inside each holds due to size of TMT of 12 Mtrs.	2.5	2.5	
7	Granites and Marbles	By ship cranes using slings	By ship cranes using slings	DFLT 30T – 1 No.	1 set slings / dunnage	2	2	
8	Containers-Empty	By ship cranes using manual spreaders	By ship cranes using manual spreaders	No Equipment	2 Nos of Spreaders	2	2	
9	Containers-Laden	By ship cranes using manual spreaders.	By ship cranes using manual spreaders.	No Equipment	2 Nos of Spreaders.	2	2	

STEVEDORING OPERATIONS

Annex - III

Workings to arrive at upfront tariff for Stevedoring operations at MOPT as furnished by MOPT and considered by TAMP

A. Dry Bulk cargo

(in Rs.)

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin/ Shift	Per tonne rate (in Rs.) as proposed by MOPT	Upfront tariff per tonne per shift considered by TAMP	
				Equipment Hire Cost/ Shift	On board Labour charges/ Shift	Total Equipment hire cost & Labour Cost/ Shift	Operational overheads @ 20%	Administrative overhearts @ 20%	Total Cost/ Shift				Foreign	Coastal
1	Finished Fertilizers	2700	2175	84000	11400	95400	19080	19080	133560	26712	160272	73.69	**73.69**	**44.21**
2	Food Grains	1980	1680	176800	20409	197209	39442	39442	276093	55219	331312	197.21	**197.21**	**118.33**
3	Coking Coal	3600	2700	54000	8400	62400	12480	12480	87360	17472	104833	38.83	**38.83**	**23.30**
4	Iron Ore and Iron Ore Pellets	5840	2850	110000	11409	121409	24282	24282	169973	33995	203969	71.57	**71.57**	**71.57**
5	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	2850	110000	11409	121409	24282	24282	169973	33995	203969	71.57	**71.57**	**42.94**
6	Other Ores and Minerals	2610	2610	54000	9600	63600	12720	12720	89040	17808	106848	40.94	**40.94**	**24.56**
7	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3240	2700	118000	11409	129409	25882	25882	181173	36235	217408	80.52	**80.52**	**48.31**
8	Alumina and Pig Iron ingots and similar dry bulk cargo	3360	2175	54000	10800	64800	12960	12960	90720	18144	108865	50.05	**50.05**	**30.03**
9	Alumina and Pig Iron ingots and similar dry bulk cargo (Mooring Dolphin)	3360	1650	54000	0	54000	10800	10800	75600	15120	90721	54.98	**54.98**	**32.99**
10	Wood Chips	No Norms Prescibed	2250	218000	24300	242300	48460	48460	339220	67844	407064	180.92	**180.92**	**108.55**

B. Break Bulk cargo

(in Rs.)

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne except for container in TEUs)	Operating Cost						Margin @ 20%	Total Cost including margin/ Shift	Per tonne rate (in Rs.) as proposed by MOPT	Upfront tariff per tonne per shift	
				Equipment Hire Cost/ Shift	On board Labour charges/ Shift	Total Equipment hire cost & Labour Cost/ Shift	Operational overheads @ 20%	Administrative overhearts @ 20%	Total Cost/ Shift				Foreign	Coastal
1	Bagged cargo	750	750	37500	90000	127500	25500	25500	178501	35700	214201	285.60	**285.60**	**171.36**
2	Jumbo Bags	1400	1000	28500	16800	45300	9060	9060	63421	12684	76105	76.11	**76.11**	**45.67**
3	Jumbo Bags(Bleeding in Hatch)	No Norms Prescibed	875	28500	18609	47109	9422	9422	65952	13190	79142	90.45	**90.45**	**54.27**
4	Iron and steel- coils and slabs	3400	1500	200000	12609	212609	42522	42522	297652	59530	357182	238.12	**238.12**	**142.87**
5	Iron and steel- pipes, tubes, plates	700	700	125000	0	125000	25000	25000	174999	35000	209999	300.00	**300.00**	**180.00**
6	TMT/WR Bars	No Norms Prescibed	450	300000	15009	315009	63002	63002	441012	88202	529214	1176.03	**1176.03**	**705.62**
11	Granites and Marbles	1000	1000	20000	26100	46100	9220	9220	64540	12908	77448	77.45	**77.45**	**46.47**
9	Containers-Empty	400	130	14000	61004	75004	15001	15001	105007	21001	126007	969.29	**969.29**	**581.57**
10	Containers-Laden	2100	110	14000	61004	75004	15001	15001	105006	21001	126007	1145.52	**1145.52**	**687.31**

Annex-IV

Comparative position of the equipment norms prescribed for Shore handling operations in the Stevedoring and Shore handling Guidelines vis-à-vis equipment deployment proposed by MOPT is tabulated below:

A. Dry Bulk Cargo:

Sl. No.	Group	Equipment Profile		Justification furnished by MOPT for deviation, if any, from the prescribed norms.
		Norms as per Guidelines	**Proposed by MOPT**	
	Method 5 [Cargo Unloaded onto Wharf and Loaded onto trucks and transported to storage Yards (beyond 1KM)]			
1	Finished Fertilizers	Payloaders 10T - 3 nos at Berth, Trucks 15T-20 nos, Payloaders 10T- 2 nos.(at storage yard)	Payloaders-5 nos, Tippers-8 nos.	(i). The list of equipment put to use for handling various types of cargo have been provided by the Stevedores. (ii). The stevedoring and shore handling operations in MOPT is carried out by the stevedores only. Further, given the physical constraint of the berth and apron the storage location, it would be practically difficult to fit in the normative requirement of equipments. The Port has, therefore, in consultation with the Stevedores, has considered the number of equipment for cargo handling. [In the opinion of the MOPT, the no. of equipment considered is optimum]
2	Food Grains	Payloaders 10T - 3 nos at Berth, Trucks 15T-20 nos, Payloaders 10T- 2 nos.(at storage yard)	Payloaders-6 nos, Tippers-20 nos.	
3	Coking Coal	Payloaders 10T - 6 nos at berth, Trucks 15T-25 nos, Payloaders 10T-4 nos(at storage yards),	NIL	
4	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	Payloaders 10T - 6 nos at berth, Trucks 15T -34 nos Payloaders 10T- 4 nos (at Storage Yard)	Payloaders-6 nos, Tippers-20 nos, Excavators - 2 nos	
5	Other Ores and Minerals	Payloaders 10T - 3 nos at berth, Trucks 15T -20 nos Payloaders 10T- 2 nos (at Storage Yard),	Payloaders-5 nos, Tippers-15 nos	
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	Payloaders 10T - 6 nos at berth, Trucks 15T -25 nos , Payloaders 10T- 4 nos (at Storage Yard)	Payloaders-6 nos (10 T), Excavators - 2 nos, Dumpers-15 nos	
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	Payloaders 10T - 6 nos at berth, Trucks 15T -25 nos , Payloaders 10T- 4 nos (at Storage Yard)	Payloaders- 3 nos	
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo(Mooring Dolphin)	Payloaders 10T - 6 nos at berth, Trucks 15T -25 nos , Payloaders 10T- 4 nos (at Storage Yard)	Payloaders- 3 nos	
9	Wood Chips	No Norms Prescribed	Tippers-30 nos, Dozzers - 5 nos, Excavators - 4 nos	NA

B. Break Bulk Cargo:

Sl. No.	Group	Equipment Profile		Reasons for deviation, if any, as explained by MOPT
		Norm as per Guidelines	Proposed by MOPT	
	Method 4 [Cargo unloaded onto wharf and loaded onto trucks & transported to storage yard within the port premises or vice versa]			
1	Bagged cargo	Trucks 10 T- 9 nos.	NIL	(i). The list of equipment put to use for handling various types of cargo have been provided by the Stevedores. (ii). The stevedoring and shore handling operations in MOPT are carried out by the stevedores only. Further, given the physical constraint of the berth and apron the storage location, it would be practically difficult to fit in the normative requirement of equipments. The Port has, therefore, in consultation with the Stevedores, has considered the number of equipment for cargo handled. [In the opinion of the MOPT, the no. of equipment is optimum]
2	Jumbo Bags	Not Applicable	Forklift - 3 nos (3 Tonne), Chainslings - 6 nos, Spreader - 1 no	
3	Jumbo Bags (Bleeding in Hatch)	Not Applicable	Forklift - 3 nos (3 Tonne), Chainslings - 6 nos, Spreader - 1 no	
4	Iron and steel- coils and slabs	Fork Lift Truck 30 T - 1 nos at berth and 2 nos at yard, Tractor Trailers - 40T - 9 nos	Crane of 50 MT for unloading cargo - 2 nos, 32 MT Forklift for shifting cargo at warehouse - 4 nos, 20' & 40' Trailors - 12 nos	
5	TMT / WR Bars	No Norms Prescribed	Crane of 50 MT for unloading cargo - 2 nos, 32 MT Forklift for shifting cargo at warehouse - 4 nos, 20' & 40' Trailors - 2 nos	
6	Granites and Marbles	Not Applicable	Cranes - 5 nos, Trailors - 12 nos, Forlift - 2 nos, Hydra - 2 nos, Dunnage / Slings - 1 set	
7	Containers Empty	Fort Lift Truck 10 T - 1 no at berth and 1 no at yard, Tractor trailers 40 T - 12 nos	Spreader - 2 nos, Crane of 50 MT for loading / unloading cargo - 2 nos	
8	Containers Laden	Top Lifter 1 at berth and 1 at yard, Tractor trailers 40 T - 12 nos.	Spreader - 2 nos, Crane of 50 MT for loading / unloading cargo - 2 nos	

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SHORE HANDLING OPERATIONS AT BERTH

Annex - V

Workings to arrive at upfront tariff for Shore handling operations at MOPT as furnished by MOPT and considered by TAMP

A. Dry Bulk cargo

I. As furnished by MOPT

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost: Equipment Hire Cost	Operating Cost: Labour cost per shift	Operating Cost: Total Equipment hire cost & Labour	Operating Cost: Operational overheads @ 20%	Operating Cost: Administrative overheards @ 20%	Operating Cost: Total Cost	Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)
	Method 5 [Cargo Unloaded onto Wharf and Loaded onto trucks and transported to storage Yards (beyond 1KM)]											
1	Finished Fertilizers	2700	2175	130000	11400	141400	28280	28280	197960	39592	237552	109.22
2	Food Grains	1980	1680	268000	20409	288409	57682	57682	403773	80755	484528	288.41
3	Coking Coal	3600	2700	0	8400	8400	1680	1680	11760	2352	14112	5.23
4	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	2850	338000	11409	349409	69882	69882	489173	97835	587008	205.97
5	Other Ores and Minerals	2610	2610	165000	9600	174600	34920	34920	244440	48888	293328	112.39
6	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3210	2700	253000	11409	264409	52882	52882	370173	74035	444208	164.52
7	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	2175	54000	10800	64800	12960	12960	90720	18144	108864	50.05
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo(Mooring Dolphin)	3360	1650	54000	0	54000	10800	10800	75600	15120	90720	54.98
9	Wood Chips	No Norms Prescibed	2250	578000	24300	602300	120460	120460	843220	168644	1011864	449.72

II. As modified by TAMP

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost: Equipment Hire Cost	Operating Cost: Labour cost @ 5% of the Equipment Hire cost	Operating Cost: Total Equipment hire cost & Labour Cost	Operating Cost: Operational overheads @ 20%	Operating Cost: Administrative overheards @ 20%	Operating Cost: Total Cost	Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	Upfront tariff per tonne per shift: Foreign	Upfront tariff per tonne per shift: Coastal
	Method 5 [Cargo Unloaded onto Wharf and Loaded onto trucks and transported to storage Yards (beyond 1KM)]													
1	Finished Fertilizers	2700	2175	130000	6500	136500	27300	27300	191100	38220	229320	105.43	**105.43**	**63.26**
2	Food Grains	1980	1680	268000	13400	281400	56280	56280	393960	78792	472752	281.40	**281.40**	**168.84**
3	Coking Coal	3600	2700	0	8400	8400	1680	1680	11760	2352	14112	5.23	**5.23**	**3.14**
4	Iron Ore and Iron Ore Pellets	5840	2850	338000	11409	349409	69882	69882	489173	97835	587008	205.97	**205.97**	**205.97**
5	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	2850	338000	11409	349409	69882	69882	489173	97835	587008	205.97	**205.97**	**123.58**
6	Other Ores and Minerals	2610	2610	165000	8250	173250	34650	34650	242550	48510	291060	111.52	**111.52**	**66.91**
7	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3210	2700	253000	11409	264409	52882	52882	370173	74035	444208	164.52	**164.52**	**98.71**
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	3360	2175	54000	2700	56700	11340	11340	79380	15876	95256	43.80	**43.80**	**26.28**
9	Alumina and Pig Iron ingots and similar Dry Bulk Cargo(Mooring Dolphin)	3360	1650	54000	0	54000	10800	10800	75600	15120	90720	54.98	**54.98**	**32.99**
10	Wood Chips	No Norms Prescibed	2250	578000	24300	602300	120460	120460	843220	168644	1011864	449.72	**449.72**	**269.83**

B. Break Bulk cargo

I. As furnished by MOPT

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne except for container in TEUs)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)
				Equipment Hire Cost	Labour cost per shift	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost			
	Method 4 [Cargo unloaded onto wharf and loaded onto trucks & transported to storage yard within the port premises or vice versa]											
1	Bagged cargo	750	750	0	16809	16809	3362	3362	23533	4707	28240	37.65
2	Jumbo Bags	1400	1000	28500	16800	45300	9060	9060	63420	12684	76104	76.10
3	Jumbo Bags (Bleeding in Hatch)	1400	875	28500	18609	47109	9422	9422	65953	13191	79144	90.45
4	Iron and steel- coils and slabs	3400	1500	300000	12609	312609	62522	62522	437653	87531	525184	350.12
5	TMT/WR Bars	No Norms Prescibed	450	250000	15009	265009	53002	53002	371013	74203	445216	989.37
6	Granites and Marbles	1000	1000	20000	26100	46100	9220	9220	64540	12908	77448	77.45
7	Containers-Empty	400	130	94000	61004	155004	31001	31001	217006	43401	260407	2003.13
8	Containers-Laden	2100	110	94000	61004	155004	31001	31001	217006	43401	260407	2367.34

II. As modified by TAMP

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne except for container in TEUs)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	Upfront tariff per tonne per shift	
				Equipment Hire Cost	Labour cost @ 10% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign	Coastal
	Method 4 [Cargo unloaded onto wharf and loaded onto trucks & transported to storage yard within the port premises or vice versa]													
1	Bagged cargo	750	750	0	16809	16809	3362	3362	23533	4707	28240	37.65	**37.65**	**22.59**
2	Jumbo Bags	1400	1000	28500	16800	45300	9060	9060	63420	12684	76104	76.10	**76.10**	**45.66**
3	Jumbo Bags (Bleeding in Hatch)	1400	875	28500	18609	47109	9422	9422	65953	13191	79144	90.45	**90.45**	**54.27**
4	Iron and steel- coils and slabs	3400	1500	300000	12609	312609	62522	62522	437653	87531	525184	350.12	**350.12**	**210.07**
5	TMT/WR Bars	No Norms Prescibed	450	250000	15009	265009	53002	53002	371013	74203	445216	989.37	**989.37**	**593.62**
6	Granites and Marbles	1000	1000	20000	26100	46100	9220	9220	64540	12908	77448	77.45	**77.45**	**46.47**
7	Containers-Empty	400	130	94000	9400	103400	20680	20680	144760	28952	173712	1336.25	**1336.25**	**801.75**
8	Containers-Laden	2100	110	94000	9400	103400	20680	20680	144760	28952	173712	1579.20	**1579.20**	**947.52**

Annex - VI

SHORE HANDLING OPERATIONS AT MOORING DOLPHINS

Workings to arrive at upfront tariff for Shore handling operations at Mooring Dolphins MOPT as furnished by MOPT and considered by TAMP

Dry Bulk cargo

I.	As furnished by MOPT											
Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)
				Equipment Hire Cost	Labour cost per shift	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost			
1	Coking Coal	3600	2700	76200	10800	87000	17400	17400	121800	24360	146160	**54.13**
2	Iron Ore, Iron Ore Pellets, Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	2850	76200	6000	82200	16440	16440	115080	23016	138096	**48.45**
3	Other Ores and Minerals	2610	2610	54000	6000	60000	12000	12000	84000	16800	100800	**38.62**
4	Alumina and Pig Iron ingots and similar Dry Bulk Cargo(Mooring Dolphin)	3360	1650	76200	8400	84600	16920	16920	118440	23688	142128	**86.14**

II.	As modified by TAMP													
Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	Upfront tariff per tonne per shift	
				Equipment Hire Cost	Labour cost @ 5% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign	Coastal
1	Coking Coal	3600	2700	76200	3810	80010	16002	16002	112014	22403	134417	49.78	**49.78**	**29.87**
2	Iron Ore and Iron Ore Pellets	5840	2850	76200	3810	80010	16002	16002	112014	22403	134417	47.16	**47.16**	**47.16**
3	Bentonite, Bauxite, Copper Concentrate, Led and Zinc Ore	5840	2850	76200	3810	80010	16002	16002	112014	22403	134417	47.16	**47.16**	**28.30**
4	Other Ores and Minerals	2610	2610	54000	2700	56700	11340	11340	79380	15876	95256	36.50	**36.50**	**21.90**
5	Alumina and Pig Iron ingots and similar Dry Bulk Cargo(Mooring Dolphin)	3360	1650	76200	3810	80010	16002	16002	112014	22403	134417	81.46	**81.46**	**48.88**

Annex - VII

SHORE HANDLING OPERATIONS AT RAIL SIDING

Workings to arrive at upfront tariff for Shore handling operations at Rail Siding at MOPT as furnished by MOPT and considered by TAMP

A. Dry Bulk cargo

I. As furnished by MOPT

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost: Equipment Hire Cost	Operating Cost: Labour cost per shift	Operating Cost: Total Equipment hire cost & Labour Cost	Operating Cost: Operational overheads @ 20%	Operating Cost: Administrative overheards @ 20%	Operating Cost: Total Cost	Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)
1	Food Grains	1980	1680	300000	300000	600000	120000	120000	840000	168000	1008000	600.00
2	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3210	2700	178000	0	178000	35600	35600	249200	49840	299040	110.76

II. As modified by TAMP

Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost: Equipment Hire Cost	Operating Cost: Labour cost @ 5% of the Equipment Hire cost	Operating Cost: Total Equipment hire cost & Labour Cost	Operating Cost: Operational overheads @ 20%	Operating Cost: Administrative overheards @ 20%	Operating Cost: Total Cost	Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	Upfront tariff per tonne per shift: Foreign	Upfront tariff per tonne per shift: Coastal
1	Food Grains	1980	1680	300000	15000	315000	63000	63000	441000	88200	529200	315.00	**315.00**	**189.00**
2	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk cargo	3210	2700	178000	0	178000	3600	35600	249200	49840	299040	110.76	**110.76**	**66.46**

B. Break Bulk Cargo

I.	As furnished by MOPT											
Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)
				Equipment Hire Cost	Labour cost per shift	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost			
1	Iron and steel- coils and slabs	3400	1500	470000	19109	489109	97822	97822	684753	136951	821704	547.80
2	TMT/WR Bars	No Norms Prescibed	450	380000	25109	405109	81022	81022	567153	113431	680584	1512.41
3	Granites and Marbles	1000	1000	400000	31200	431200	86240	86240	603680	120736	724416	724.42

II.	As modified by TAMP													
Sr. No	Cargo Group	Productivity Standards considered per shift (as per guidelines) (in tonne)	Productivity Standards considered per shift by MOPT (in tonne)	Operating Cost						Margin @ 20%	Total Cost including margin	Per tonne rate (in Rs.)	Upfront tariff per tonne per shift	
				Equipment Hire Cost	Labour cost @ 10% of the Equipment Hire cost	Total Equipment hire cost & Labour Cost	Operational overheads @ 20%	Administrative overheards @ 20%	Total Cost				Foreign	Coastal
1	Iron and steel- coils and slabs	3400	1500	470000	19109	489109	97822	97822	684753	136951	821704	547.80	**547.80**	**328.68**
2	TMT/WR Bars	No Norms Prescibed	450	380000	25109	405109	81022	81022	567153	113431	680584	1512.41	**1512.41**	**907.45**
3	Granites and Marbles	1000	1000	400000	31200	431200	86240	86240	603680	120736	724416	724.42	**724.42**	**434.65**

Annex – VIII

MORMUGAO PORT TRUST
UPFRONT TARIFF FOR STEVEDORING AND SHORE HANDLING SERVICES

Definitions and General conditions

(I). Definitions:

(i). "Coastal vessel" shall mean any vessel exclusively employed in trading between any port or place in India to any other port or place in India having a valid coastal licence issued by the Directorate General of Shipping/ Competent Authority.

(ii). "Foreign-going vessel" shall mean any vessel other than coastal vessel.

(iii). 'Stevedoring' includes loading and unloading and stowage of cargo in any form on board the vessels in Port.

(iv). 'Shore handling' includes arranging and receiving the cargo to/from the hook point, inter modal transport from wharf to stack yard and vice-versa and also receiving and delivering of cargo from/to wagons /trucks.

(v). 'Stevedore' is an authorized agent for loading and unloading and anchorage of cargo in any form on board the vessels in ports and to whom the licence has been given under regulations.

(vi). 'Shore handling agent' is an authorized agent for arranging the receiving the cargo to/ from the hook point, intermodal transport from wharf to stock yard and vice-versa and also receiving and delivering of cargo from/ to wagons/ trucks.

(vii). "Tonne" or "MT" as one Metric Tonne of 1000 kilograms or one cubic meter.

(II). General conditions:

(i). The status of the vessel, as borne out by its certification by the Customs or the Director General of Shipping, shall be the deciding factor for classifying into 'coastal' or 'foreign-going' category for the purpose of levying vessel related charges; and, the nature of cargo or its origin will not be of any relevance for this purpose.

(ii). System of classification of vessel for levy of Vessel Related Charges (VRC)

(a). A foreign going vessel of Indian flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order. Such vessel that converts into coastal run based on the Customs Conversion Order at her first port of call in Indian Port, no further custom conversion is required, so long as it moves on the Indian Coast.

(b). A Foreign going vessel of foreign flag can convert to coastal run on the basis of a Licence for Specified Period or voyage issued by the Director General of Shipping and a custom conversion order.

(iii). Criteria for levy of Vessel Related Charges (VRC) at Concessional Coastal rate and foreign rate

(a). In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.

(b). In cases of such conversion coastal rates shall be chargeable till the vessel completes discharging operations at the last call of Indian Port; immediately thereafter, foreign going rates shall be chargeable by the discharge ports.

(c). For dedicated Indian coastal vessels having a Coastal licence from the Director General of Shipping, no other document will be required to be entitled to coastal rates.

(iv). Criteria for levy of Cargo Related Charges (CRC) at Concessional Coastal rate.

(a). Foreign going Indian Vessel having General Trading License issued for ‘worldwide and coastal’ operation should be accorded applicable coastal rates with respect to Handling Charges (HC) i.e. ship to shore transfer and transfer from/ to quay to/ from storage yard including wharfage in the following scenario:

(i). Converted to coastal run and carrying coastal cargo from any Indian Port and destined for any other Indian Port.

(ii). Not converted* to coastal run but carrying coastal cargo from any Indian Port and destined for any other Indian Port.

* The Central Board of Excise and Customs Circular no.15/2002-Cus. dated 25 February 2002 allows carriage of coastal cargo from one Indian port to another port in India, in Indian flag foreign going vessels without any custom conversion.

(b). In case of a Foreign flag vessel converted to coastal run on the basis of a Licence for Specified Period or voyage issued by the Director General of Shipping, and a Custom Conversion Order, the coastal cargo/ container loaded from any Indian Port and destined for any other Indian Port should be levied at the rate applicable for coastal cargo/ container.

(v). The Stevedoring shall comply with the policy direction set out by the Government from time to time like coastal cargo/ containers, etc., which have bearing on the determination of the tariff.

(vi). All charges worked out shall be rounded off to the next higher rupee on the grand total of the bill.

(vii). This tariff is not applicable for BOT/ BOOT operators or any other arrangement for private sector participation who are governed by the Tariff Guidelines of 2005, 2008 and 2013.

(viii). This tariff is applicable uniformly to the entire port where the stevedoring and shore handling operations are carried out by private agencies or firms.

(ix). (a). The tariff notified is ceiling level.

(b). The rates prescribed in the Scale of Rates are ceiling levels; likewise, rebates and discounts are floor levels. The authorized agent may, if it so desires, charge lower rates and/or allow higher rebates and discounts.

(c). The authorized agent may also, if they so desire rationalise the prescribed conditionalities governing the application of rates prescribed in the Scale of Rates if such rationalisation gives relief to the users in rate per unit and the unit rates prescribed in the Scale of Rates do not exceed the ceiling level.

(d). The authorized agent should, however, notify the public such lower rates and/or rationalisation of the conditionalities governing the application of such rates and continue to notify the public any further changes in such lower rates and/or in the conditionalities governing the application of such rates provided the new rates fixed shall not exceed the rates notified by the TAMP.

(x). The authorized agent shall charge only for services provided by him. No notional booking of labour and other similar notional charges would be permitted.

(xi). If any new cargo is to be handled which is not notified/ not included in the list, then the Port may categorise that cargo under any one of the cargo categories based on the nature, physical characteristics and the method of handling that cargo.

(xii). Services for other miscellaneous activities and also the handling charges handling for specific cargoes when Port takes custody of cargo as per Section 42 of MPT Act shall continue to be carried out by Port as per TAMP notified SOR.

(xiii). The average out put per hook / shift per vessel shall be arrived as follows:

(a). The tonnage as per Bill of Landing shall be divided by the number of hooks employed for the vessel to determine the tonnage per hook for the vessel.

(b). In the case of shore operations the shift-wise tonnage as per tally sheet based on the lorry / railway / packing list will be the basis for billing.

(c). The fraction of output below 0.5 shall be ignored and 0.5 and above shall be rounded off to the next higher tonne.

(xiv). Tariff caps are indexed to inflation but only to an extent of 60% of the variation in the Wholesale Price Index (WPI) occurring between 1st January and 31st December of the relevant year. Such automatic adjustment of the tariff cap will be made every year and the adjusted tariff cap will come into effect from 1st April of the relevant year till 31st March of the following year.

(xv). (a). From the date of Commercial Operation (CoD) till 31st March of the same financial year, the tariff would be limited to the indexed upfront tariff relevant to that year, which would be the ceiling. The aforesaid tariff shall be automatically revised every year based on an indexation as provided in para 2.10. of the normative tariff guidelines, 2016 which will be applicable for the entire License period.

(b). The operator, however, is entitled to 100% WPI indexation instead of 60% WPI indexation, from the second year of operation on achievement of performance standards as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 for dry bulk cargo as stipulated in clause 7.1. of the guidelines issued by the Ministry of Shipping for fixation of upfront tariff for stevedoring and shore handling operations. For break bulk cargo, the Performance Standards as notified along with the Scale of Rates will be applicable.

(c). For this purpose, the Operator shall approach the concerned Major Port Trust within 30 days of completion of financial year of operation along with details of cargo wise average Performance standard achieved for each cargo for both stevedoring and shore handling operations.

(d). The Major Port Trust shall ascertain the achievement of performance standards claimed to have been achieved by the operator by engaging Consultant if required in one month's time.

(e). The operator can apply 100% indexation instead of 60% on written confirmation by the Major Port Trust to the operator that it has achieved the Performance Standards notified along with the upfront tariff.

(f). In the event the Major Port Trust confirms that the operator has not achieved the Performance Standards as notified by TAMP in previous 12 months, the operator will not be entitled for 100% WPI indexation. The operator will continue to levy the tariff with 60% indexation as prescribed at clause 2.9. above of the normative tariff guidelines, 2016.

(xvi). All the operators shall furnish to the Major Port Trust and TAMP annual reports on cargo traffic, ship berth day output, per shift output within a month following the end of financial year in respect of stevedoring/ shore handling operations licensed by the port. Any other information which may be required by TAMP shall also be furnished to them from time to time.

(xvii). TAMP shall publish on its website all such information received from operators and Major Port Trusts. However, TAMP shall consider a request from any operator or Major Port Trust about not publishing certain data/ information furnished which may be commercially sensitive. Such requests should be accompanied by detailed justification regarding the commercial sensitiveness of the data/ information in question and the likely adverse impact on their revenue/ operation of upon publication. TAMP's decision in this regard would be final.

(xviii). The performance norms prescribed for various commodities shall be the minimum that should be achieved by the operator. These performance norms shall be incorporated in the bid documents.

(xix). The performance actually achieved by the operator shall be monitored by both the Port and the TAMP on a quarterly basis. In the event of any shortfall in achieving the performance prescribed, the Port will initiate action on the operator as per the terms contained in the agreement entered into with the operator by the Port.

(xx). In the event any user has any grievance regarding non-achievement by the operator of the Performance Standards as notified by the TAMP, he may prefer a representation to TAMP which, thereafter, shall conduct an inquiry into the representation and give its finding to the concerned Major Port Trust. The Major Port Trust will be bound to take necessary action on the findings as per the provisions of the contract conditions of the Agreement.

(xxi). In calculating the gross weight or measurement by volume or capacity of any individual item, fractions upto 0.50 shall be taken as 0.50 unit and fractions of 0.50 and above shall be treated as one unit, except where otherwise specified.

(xxii). Users will not be required to pay charges for delays beyond reasonable level attributable to the terminal operator.

(xxiii). As per coastal policy direction issued by the MOS and notified by this Authority vide Order No.TAMP/4/2004-Genl. dated 7 January 2005 and 15 March 2005.

(a). The cargo/container related charges for all coastal cargo/containers, other than thermal coal, POL (including crude oil), iron ore and iron ore pellets, should not exceed 60% of the corresponding charges for normal cargo/container related charges.

(b). In case of cargo related charges, the concessional rates should be levied on all the relevant handling charges for ship shore transfer and transfer from/to quay to/from storage yard including wharfage.

(c). In case of container related charges, the concession is applicable on composite box rate. Where itemised charges are levied, the concession will be on all the relevant charges for ship shore transfer and transfer from/to quay to/from storage yard as well as wharfage on cargo and containers.

(As and when there is any change in the policy direction issued by the MOS on coastal concession, the same will be communicated to the port.)

(III). PART I- STEVEDORING OPERATIONS

SECTION – A – DRY BULK

Rate per Tonne (in ₹)

Sr. No.	Commodity Group	Foreign	Coastal
1	Finished Fertilisers	73.69	44.21
2	Food Grains	197.21	118.33
3	Coking Coal	38.83	23.30
4	Iron Ore and Iron Ore Pellets.	71.57	71.57
5	Bentonite, Bauxite, Copper Concentrate, Lead and Zinc Ore etc.	71.57	42.94
6	Other Ores and Minerals	40.94	24.56
7	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	80.52	48.31
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	50.05	30.03
9	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (Mooring Dolphin)	54.98	32.99
10	Wood Chips	180.92	108.55

SECTION – B – BREAK BULK

(in ₹)

Sr. No.	Commodity Group	Unit	Foreign	Coastal
1	Bagged Cargo	Per Tonne	285.60	171.36
2	Jumbo Bags	Per Tonne	76.11	45.67

3	Jumbo Bags (Bleeding in Hatch)	Per Tonne	90.45	54.27
4	Iron and Steel - Coil and Slabs	Per Tonne	238.12	142.87
5	Iron and Steel - Pipes, Tubes, Plates	Per Tonne	300.00	180.00
6	TMT /WRBars	Per Tonne	1176.03	705.62
7	Granites and Marbles	Per Tonne	77.45	46.47
8	Containers – Empty	Per TEU	969.29	581.57
9	Containers – Laden	Per TEU	1145.52	687.31

(IV). PART II - SHORE HANDLING OPERATIONS AT MOORING DOLPHINS

SECTION – A – DRY BULK

Rate per Tonne (in ₹)

Sr. No.	Commodity Group	Foreign	Coastal
1	Coking Coal	49.78	29.87
2	Iron Ore and Iron Ore Pellets	47.16	47.16
3	Bentonite, Bauxite, Copper Concentrate, Lead and Zinc Ore	47.16	28.30
4	Other Ores and Minerals	36.50	21.90
5	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (Mooring Dolphin)	81.46	48.88

(V). PART III- SHORE HANDLING OPERATIONS AT RAIL SIDING

SECTION – A – DRY BULK

Rate per Tonne (in ₹)

Sr. No.	Commodity Group	Foreign	Coastal
1	Food Grains	315.00	189.00
2	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	110.76	66.46

SECTION – B – BREAK BULK

Rate per Tonne (in ₹)

Sr. No.	Commodity Group	Foreign	Coastal
1	Steel - Coil and Slabs	547.80	328.68
2	TMT /WRBars	1512.41	907.45
3	Granites and Marbles	724.42	434.65

(VI). PART IV- SHORE HANDLING OPERATIONS AT BERTH

SECTION – A – DRY BULK

Rate per Tonne (in ₹)

Sr. No.	Commodity Group	Foreign	Coastal
1	Finished Fertilisers	105.43	63.26
2	Food Grains	281.43	168.84
3	Coking Coal	5.23	3.14
4	Iron Ore and Iron Ore Pellets.	205.97	205.97
5	Bentonite, Bauxite, Copper Concentrate, Lead and Zinc Ore	205.97	123.58
6	Other Ores and Minerals	111.52	66.91
7	Limestone, Dolomite, Clinker, Clay, Sand and other similar Dry Bulk Cargo	164.52	98.71
8	Alumina and Pig Iron ingots and similar Dry Bulk Cargo	43.80	26.28

Sr. No.	Commodity Group	Foreign	Coastal
9	Alumina and Pig Iron ingots and similar Dry Bulk Cargo (Mooring Dolphin)	54.98	32.99
10	Wood Chips	449.72	269.83

SECTION – B – BREAK BULK

(in ₹)

Sr. No.	Commodity Group	Unit	Foreign	Coastal
1	Bagged Cargo	Per Tonne	37.65	22.59
2	Jumbo Bags	Per Tonne	76.10	45.66
3	Jumbo Bags (Bleeding in Hatch)	Per Tonne	90.45	54.27
4	Iron and Steel - Coil and Slabs	Per Tonne	350.12	210.07
5	TMT /WRBars	Per Tonne	989.37	593.62
6	Granites and Marbles	Per Tonne	77.45	46.47
7	Containers – Empty	Per TEU	1336.25	801.75
8	Containers – Laden	Per TEU	1579.20	947.52

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Annex - IX

Performance Standards

A. **For Dry Bulk Cargo**:

The Performance Standards for dry bulk cargo will be as prescribed in the Berthing Policy vide letter No.PD-11033/73/2013-PT(pt) dated 16 June 2016 for dry bulk cargo as stipulated in clause 7.1. of the guidelines issued by the Ministry of Shipping for fixation of upfront tariff for stevedoring and shore handling operations.

B. **For Break Bulk Cargo**:

Sl. No.	Description	Performance Standards per shift (in tonnes except for containers in TEUs)
(i)	Bagged Cargo	750
(ii)	Jumbo Bags	1000
(iii)	Jumbo Bags (Bleeding in Hatch)	875
(iv)	Iron and Steel Coils and Slabs	1500
(v)	Iron and Steel - Pipes, Tubes, Plates	700
(vi)	Granite	450
(vii)	TMT /WRBars	1000
(viii)	Containers - Empty	130 TEUs
(ix)	Containers - Laden	110 TEUs

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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.

TAMP/67/2016-MOPT : Proposal received from Mormugao Port Trust (MOPT) for fixation of upfront tariff for stevedoring and shore handling operations.

The comments received from the MSA vide its email dated 18 November 2016 and email dated 12 January 2017 on the subject proposal was forwarded to MOPT as feedback information. No reply was furnished by MOPT till finalisation of the case. The comments received from MSA are given below:

Sl. No.	Comments of the users / user organisations
1.	**Mormugao Stevedores' Association (MSA) letter dated 18 November 2016**
(i).	It would like to participate in joint hearing whenever fixed.
(ii).	The optimal capacity for discharge / loading of certain cargoes like Granite, Fertilizers, Steel coils, Wood chips and Bagged cargoes are fixed on higher side and not based on the average statistics of the past.
(iii).	The rates do not include Port's CHLD rate which are variable depending on the output achieved. This rate should also form a part of the total Stevedoring cost.
(iv).	The Stevedores members would like further clarification on Performance Monitoring.
2.	**MSA letter dated 12 January 2017**
(i).	Upfront Tariff for Container Cargo operations are extremely low and unrealistic. On careful study of the workings have come to conclusion that
(a).	Costings submitted for container cargo operations are incorrect. Inadvertently cost's for bulk cargo operations have been considered in the "Labour - Berth and Shore" It is humbly submitted to revise the charges as below in the workings. Foreman : ₹3500 per shift Tally Clerk : ₹2000 per shift Mazdoor : ₹1500 per shift Crane Operator : ₹4000 per shift
(b).	Upfront Tariff has been arrived by dividing the total cost by tonnage. Tariff for containers are calculated per Twenty foot Equivalent unit (TEU basis).
(c).	Our presumption is that 1050 tons has been arrived taking into account international standard of 14MT per TEU. When converted into TEU's this will work out to 75 TEUs. Similarly 200 MT's has been arrived considering per 20' Empty TEU weight of 200 MT. This works out to 80 TEUs.
(d).	Kindly replace the existing divisor of 200 MT for empty containers and 1050 MT for laden containers by number of TEU's and our humble request will be to consider productivity of 55 TEU's for laden and 65 TEU's for empty containers this being the best case average productivity.
(e).	We request you to amend the man power cost as submitted above and arrive rates on per TEU basis.

2. M/s. Aspinwall & Company (AC) has, vide its email dated 6 January 2017, furnished written submissions relating to this case. The comments of M/s. AC are reiteration of comments of MSA which have been brought out in the above

paragraphs and hence not reiterated here. This was forwarded to MOPT for their comments. MOPT did not respond till finalisation of this case.

3. The comments received from the Goa Mineral Ore Exporters' Association (GMOEA) vide its letter dated 24 December 2016 on the subject proposal were forwarded to MOPT as feedback information. The MOPT vide its letter dated 12 January 2017 has furnished its reply. A summary of the comments received from the GMOEA and reply furnished by MOPT thereon is tabulated below:

Sl. No.	Written submissions	Reply furnished by MOPT
1.	**Goa Mineral Ore Exporters' Association (GMOEA)**	
(i).	The exercise held was to determine the "Ceiling Rates for Stevedoring and Shore Handling Operations". It is therefore, requested that the notification of ceiling rates should be clearly titled as such rather than as "Upfront Tariff for Stevedoring and Shore Handling Operations" as mentioned in the ports proposal. This would ensure that any users (particulars new users) clearly understand that these are ceiling rates and not the standard rates.	The Upfront Tariff for Stevedoring and Shore Handling Operations are the ceiling rates as per the Guidelines. As regards, the modification to the title from "Upfront Tariff for Stevedoring and Shore Handling Operations" to "Ceiling Rates for Stevedoring and Shore Handling Operations", TAMP may take appropriate decision.
(ii).	Since these are ceiling rates, they have been fixed on the higher side compared to actual rates to provide for all eventualities considering costs of the higher side.	The upfront tariff set by TAMP will be the ceiling levels. These tariff are derived as per the TAMP Stevedoring and Shore Handling Guidelines and are based on the data / inputs given by Stevedores Association. [The GMOEA has not substantiated with facts and figures its statement.]
(iii).	Further, the present explanatory note states that "The upfront tariffs set in this Scale of Rates are ceiling levels. The Stevedore / shore handling operations may, if so desire, charge lower rates or allow rebates / discounts." This may be revised to "The upfront tariff set in this Scale of Rates are ceiling levels. The actual rates may be agreed between the users and Stevedores/ shore handling operators at these or lower rates or allow rebates / discounts on the ceiling tariffs".	[No comments received from MOPT].
(iv).	During the meeting, it was mentioned that the Stevedoring Policy provides for the port to collect a royalty (or revenue share) on the tariff for Stevedoring / shore handling operations. The Port tariffs have already very recently been revised and fixed by TAMP vide order dated November 17, 2016 and therefore this will be an additional port charge levied on the users which increases the cost of doing business. While the Port has mentioned that this will be a nominal charge and collected at a flat rate per ton rather than a share of revenue, GMOEA would like to record its opposition to the introduction of an additional charge on stevedoring / shore handling operations being introduced through the stevedoring policy, and requests that the exercise be limited to fixation of ceiling rates. The request is that the exercise be limited to fixation of ceiling	As per Clause 3(v) of the Stevedoring and Shore Handling Policy for Major Ports, 2016 the Port shall fix a per metric tonne royalty as the license fee from the Stevedoring and Shore Handling agents. The same will be complied by the Port.

	rates. This may also be brought to the kind attention of the Ministry for Shipping.	
(v).	Without prejudice to the above point, it is submitted that the port should in no case levy charges as a share of the ceiling rates as actual charges will almost invariably be lower.	The Port will charge royalty as per point 4 mentioned above.
(vi).	TAMP may ensure that no port charge component has been included in that calculation of ceiling rates charges, since the note (ii) of clause 2 General Terms and Conditions of the proposal submitted by MOPT vide its letter No.FA/Cost/125/2016/223 dated 14 December 2016 mentions that "These charges are in addition to the charges payable to the Port".	As per TAMP Stevedoring and Shore Handling Guidelines, Royalty/Revenue share is not considered as cost for determination of upfront tariff. The Port has submitted the proposal vide letter no. FA/Cost/125/2016/223 dtd. 14th December, 2016, in which note (ii) of clause 2 of General Terms and Conditions states that "These charges are in addition to the charges payable to the Port". The additional charges payable are those which are mentioned in the General Revision of Scale of Rates namely. (i). Stevedoring Charges as per para 2.4 (ii). Mobile Harbour Crane Charges as per para 2.7

4. A joint hearing in this case was held on 30 November 2016 at the MOPT premises. The MOPT made a brief power point presentation of its proposal. At the joint hearing, the MOPT and the concerned users/ user organizations have made the following submissions:

Mormugao Port Trust (MOPT)

(i). We submitted the proposal to TAMP. We had meeting with the stevedores.

(ii). Based on the field condition and based on the meeting with the stevedores, there has been a few deviation from the norms prescribed in the Guidelines. We have given the reasons for the deviation from the prescribed norms.

(iii). Rate prescribed by TAMP will be ceiling rate for the stevedoring and shore handling operators. They have the flexibility to charge anything within the ceiling rate. Everything will function as usual.

(iv). We have discussed with all agencies carrying out stevedoring and shore handling operations before sending the proposal to TAMP.

(v). The proposed rates will not apply to BOT/ BOOT operators or any private sector participation governed under the Tariff guidelines of 2005, 2008 and 2013.

(vi). We have done certain moderations in the norms prescribed in the Guidelines taking into consideration the practical points and the existing conditions. The guidelines allow us to adjust the norms while proposing the tariff based on the local conditions in the port.

(vii). Upfront tariff caps are proposed for handling at Mooring Dolphins, Rail Siding apart from rates proposed for handling cargo at Berth. The guidelines do not prescribe norms for stevedoring and shore handling related to Mooring Dolphins and railway siding. At MOPT, stevedoring is being done at these two areas as well. Hence, we have proposed separate rates for these two areas as well.

(viii). The proposed rates for stevedoring and shore handling operations are excluding the rates prescribed in the existing Scale of Rates of the port.

(ix). The rates proposed for stevedoring/ shore handling arrived in the proposal does not include the CHLD labour.

(x). The stevedoring and shore handling charges prescribed in the existing Scale of Rates of the port under the general revision of our SOR which stevedores are already paying to the port will continue to be levied by the port.

(xi). The proposed rates are ceiling rates.

(xii). The MOPT Board will decide on the per tonne royalty payable by Stevedores and shore handling service providers.

(xiii). For stevedoring and shore handling operations, the rates have to be uniform for foreign/ coastal. Concessional rate for coastal cargo need not be prescribed for stevedoring and shore handling charges.
[Member (Finance), TAMP: We will seek clarification from the Ministry in this regard.]

(xiv). The rate for TMT is low. Handling this cargo is complex. We will review the rate proposed for this item as well.

(xv). Users have gone through the proposal. There are mainly four limited issues. The stevedoring rate proposed for bagged cargo and the stevedoring rate proposed for TMT cargo is low. The Performance Standard proposed for Granite is high. The unit of levy for container should be proposed on per TEU basis instead of per tonne basis. We will review all these items.

Mormugao Stevedores' Association

(i). We accept that Board will decide the per tonne royalty.

(ii). We had lot of interaction with port.

(iii). Whatever cost, we will have to pass it on to the principals.

(iv). The productivity should be “average” output in tonnes/ hook/ shift.

(v). There could be various reasons for variation in performance level. Will there be penalty for under performance?
[MOPT: No penalty is proposed for under performance. There will be 60% automatic annual indexation in tariff irrespective of the achievement of performance. If notified performance is achievement, indexation will be 100% of WPI instead of 60%. This is to incentivize performance achievement.]

(vi). The rate for bagged cargo at ₹37.65/ tonne is very low.
[MOPT (Chairman): We will examine this item.]

(vii). For handling Granite lot of care is to be taken. It comes in different sizes. The performance in terms of output rate considered in the proposal is on the higher side.
[MOPT: For Performance Standards, we have taken last three years average and added 20%. We will check Performance of this cargo at other neighbouring port. We will examine this matter.]

(viii). Rate for Container is proposed on per tonne basis. It should be on per TEU basis.
[MOPT: We will change the unit of levy to per TEU basis.]

<u>Goa Mineral Ore Exporters Association</u>

(i). There are lot of lacunae in the Stevedoring Policy and Guidelines. These need to be reviewed.

(ii). Royalty payable is an additional cost which we will have to pass on to the users.
[Member (Finance), TAMP: Royalty will not be allowed as pass through in tariff fixation as per the Stevedoring and Shore Handling Policy.]

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