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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 419

New Delhi,

14 November 2018

NOTIFICATION

In exercise of the powers conferred by Sections 48 & 50 of the Major Port Trusts Act, 1963, (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Paradip Port Trust seeking approval for the performance norm based incentive/penalty in respect of handling dry bulk cargo at Paradip Port trust as per berthing policy, 2016, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/79/2017-PPT

Paradip Port Trust

QUORUM

Applicant

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

ORDER

(Passed on this 3rd day of October 2018)

This case relates to the proposal received from Paradip Port Trust (PPT) seeking approval for the performance norm based incentive/ penalty in respect of handling dry bulk cargo at Paradip Port trust as per berthing policy, 2016.

2.1. The Ministry of Shipping (MOS) has forwarded the Berthing Policy Guidelines for Dry Bulk Cargo for Major Ports on 16 June 2016 (Berthing Policy guidelines 2016) with an objective to fix performance norms for handling dry bulk cargo and to fix penalties and incentives structure taking into account the infrastructure available in the port.

2.2 The features of the Berthing policy guidelines are as follows:

- (i). Standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructures available at ports.
- (ii). Penalties and incentives structures to be adopted by all major ports based on the performance norms calculated.
- (iii). Instituting penalties & incentives linked to the performance norms as a part of overall berthing policy.
- (iv). Re-rating capacity of berths as well as guidelines for levying anchorage charges to reduce Turn Around Time (TAT).

2.3. In this backdrop, the PPT has filed its proposal seeking approval for fixation of performance norm based penalties and incentives for handling dry bulk cargo.

3.1. The main points made by PPT in its proposal dated 6 December 2017 are summarized below:

- (i). After the receipt of the Berthing Policy from MOS, the PPT informed MOS vide its letter no. TD/TM/GEN-14(VI)/2016/2014 dated 29 June 2016 that the existing general berthing policy of PPT includes berthing policy for dry bulk vessels, which has been approved by the Board of Trustees of PPT and notified to the Trade having a validity upto 31.03.2017. In view of the above and since the new Berthing Policy, 2016 issued by the MOS needs further consultation with stake holders, it was communicated to MOS that the policy will be made applicable w.e.f. 1.4.2017. The action plan for implementing the New Berthing Policy, 2016 by PPT has also been furnished to MOS.
- (ii). In May 2015, prior to BCG initiating the study on the berthing policy and issue of the Berthing Policy, 2016, the port has worked on various modalities for improving the productivity parameters and for fixation of ship day productivity norms considering the factors like Bulk Density, Grab size, Picking Factors, no. of hooks, Hook cycles per hour, Non-working time, vessel profile, no. of HMCs etc. Based on the above, a detailed working on the norms was circulated to the stake holders by PPT vide its email dated 18 May 2015.

- (iii). Several rounds of discussions on implementation of productivity norms were held with the Stake holders. Considering the views and concerns of the stake holders on various constraints in existing infrastructure and other factors like competition from neighboring ports, the port has made the penalty/ incentive norms calculation simpler, so that the same while inducing productivity may not turn unattractive to the trade.
- (iv). Subsequently, upon discussion on various issues involved in relation to the Berthing Policy, 2016, with the stake holders, the port over a period of time has introduced Performance Norms for Dry Bulk (both Mechanical and Conventional Berths) as well as for Break Bulk cargo under the Berthing Policy linking the same to the penalty and incentive on notional basis to achieve higher productivity with a view to improve port efficiency.
- (v). After further discussion with stake holders, the port has placed Productivity norms with penalty and incentive under the Berthing Policy guidelines for Dry Bulk Cargo, 2016, before the Board of Trustees of PPT on 29.03.2017 for its approval. The Productivity norms with penalty and incentive under the Berthing Policy guidelines for Dry Bulk Cargo approved by the Board of PPT on 29.03.2017 was again reviewed with the users and finally placed before the Board on 18.08.2017. The copy of the Board proposal and the resolution was furnished by PPT.
- (vi). In order to improve productivity of Coal Berth (CB) 1 and 2 and MCHP, it was decided to extend priority berthing to Thermal Coal ships which would offer a load rate of minimum 4000 MT of Thermal Coal per hour by using both ship loaders at CB 1 and CB 2 berths w.e.f. 20.07.2016 without levy of priority berthing charges as a part of Berthing Policy for FY 2017-18, which was approved by the Board in the Meeting held on 29.03.2017. The copy of Board Resolution was furnished by PPT.
- (vii). While monitoring the productivity of vessels handled conventionally, it was observed that huge accumulated uncleared cargo on wharf (of sailing vessels) was affecting the discharge operation of incoming vessels leading to idling of the vessel at berth. On critical analysis by the port, it was found that the accumulation of cargo on wharf was primarily on account of slow cargo evacuation due to late reporting and early stoppages by dumpers and payloaders engaged by Stevedores and inadequate cargo handling equipment deployed by stevedores. This issue was discussed by the Port with the Stevedores in several meetings with a request to engage adequate dumpers and cargo handling equipment for atleast 7 hours in a shift of 8 hours to improve cargo evacuation.
- (viii). Since no tangible improvements were observed regarding working hours and equipment deployment, Port has finally decided to levy penalty against the concerned stevedores for non-clearance of cargo within 4 hours from sailing of vessels at the rate equal to wharfage of expected quantity of cargo that could have been discharged had there been no obstruction of uncleared cargo w.e.f. 10.08.2017.
- (ix). The Stevedores represented to the port to defer the decision of imposition of penalty for non-clearance of cargo and assured to improve the working time. Since no perceptible improvement on cargo evacuation was observed by the Port and a minimum of 15 of 20 vessels were waiting for berths since June 2017 and the pre-berthing detention has increased phenomenally mainly due to non-achievement of the potential productivity and non-evacuation of the cargo from wharf, as bought by the port, it has started levying penalty w.e.f. 03.10.2017.

3.2. Accordingly, the proposal of PPT seeks approval for the following:

- “(a). Approval of the incentive / Penalty linked Productivity Norms in respect of Dry Bulk and Break Bulk Cargo handled at conventional berths, which

was implemented w.e.f. 15.01.2017 (fair season) and 01.06.2017 (monsoon season) with mutual agreement with stake holders in a consultative process.

(i). Performance Norms for Dry Bulk Cargo handled conventionally.

Ship type	GL/G	No. of HMC	Season	Ship-day productivity (in MT)				
				Coal	Flux	Coke	Iron Ore/ Pellet	Other Dry bulk
All	GL,G	2 or above	Fair (*)	22000	17400	15000	27000	22000
			Monsoon (-8%)	20000	16000	14000	27000 (**)	20000
All	GL,G	1 HMC	Fair	15000	14000	12000	18000	15000
			Monsoon (-8%)	14000	13000	11000	18000 (**)	14000
All	G	0	Fair	14000	12000	10000	15000	13000
			Monsoon (-8%)	13000	11000	9000	15000 (**)	12000

Note:

- (i). Fair season norms was effective from 15.01.2017
- (ii). Fair season is October to May
- (iii). Monsoon season is June to September
- (iv). (**) indicated that 8% reduction in norms for monsoon is not applicable for Iron Ore / Pellet.

(ii). Performance Norms for Steel / Break Bulk / Project Cargo handled conventionally.

Cargo	Ship-day Productivity Norms (in MT)
HR Coil and other unit weight more than 5 T	6000
Other Steel Cargo (Plate, Bar, Billet) and break Bulk cargo Unit weight 5 T or less)	2000
Project Cargo	1000

(iii). The incentive or penalty for Dry and Break Bulk or Project cargo handled at conventional berths is as follows:

- (a). Steamer Agents to submit the 'Vessel Planning' prior to berthing of the vessel.
- (b). Steamer Agents / Stevedores to calculate the time allowed for completion of total discharge / loading of cargo based on the aforesaid productivity norms and the same to be clearly mentioned in the vessel planning form.
For Example, a Handymax geared vessel carrying 59830T of Coking Coal, the time allowed is
$$59830T/14000T = 4.27 \text{ days} * 24 = 102.57 \text{ hrs. i.e } 103 \text{ hrs.}$$
- (c). Penalty will be levied @ ₹. 3500/- per hour or part thereof of stay at berth beyond stipulated completion time.
Incentive @ ₹. 3500/- per hour or part thereof will be given if completed before stipulated completion time.

- (d). If the vessel completes 2 hours earlier than the allowed time, the Stevedores are eligible for incentive of ₹. 7000/- (₹.3500*2) and vice versa in case of penalty.
- (e). The period for which the vessel operations are affected only due to shifting of vessel, breakdown of cranes, rain and inclement weather as indicated in the Statement of Facts (SOF) will be deducted from the actual time taken for completion. Accordingly, the penalty and incentive will be worked out.
- (f). Since licenses are issued by the Port to Stevedores for handling cargo and the Stevedores indent Port resources for handling cargo, the Stevedores would avail incentive and also bear the penalty.
- (g). The geared vessels are expected to operate all cranes till the completion of loading / unloading of cargo. Such geared vessels which are unable to engage all or any ship crane for cargo loading / unloading operations due to breakdown of ship cranes or any other reasons not attributable to port, the vessel agent/ importer/ exporter is liable to engage Harbour Mobile Crane (HMC) till the ship gears are made operational.
- (h). In case the geared vessels engage HMC in loading / unloading operation to supplement the vessel gears for any reason, the productivity norm applicable to geared vessels to be considered as the productivity norms of such vessels.
- (i). In case of vessels using more than 2 HMCs to achieve better efficiency, the incentive / Penalty to be calculated considering the productivity norms for 2 HMCs.
- (j). Where the vessel is not achieving the prescribed productivity norms, PPT reserves the right to shift the vessel to anchorage at the risk and cost of the ship in addition to levy of penalty charges, if any, at the above prescribed rate.
- (k). The above incentive/ penalty will not be applicable in respect of vessels operating at CQ-3 and IOB manually with vessel crane considering less wharf space and constraint in movement of IPT dumpers due to existing mechanized facilities.
- (l). PPT may review the productivity norms on a quarterly basis and revise the same, if required, based on local conditions and past performance etc. as stipulated in the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016, issued by Ministry.
- (m). Stevedores are not engaged by Shippers/Exporters at mechanical berths i.e., CB 1, CB 2 and IOB for cargo loading operation, which are operated by PPT. As far as payments of charges are concerned, the Steamer Agents make payment towards vessel related charges and concerned Shippers / Exporters make payment towards cargo related charges. At these berths, the productivity mainly depends on the deballasting capacity of vessels, loading rate accepted by vessel, time taken for opening of

hatches, number of hatch changes and draft checks etc. and therefore it is decided to pay / recover incentive / penalty from the Steamer Agents.

- (b). Approval of the Incentive / Penalty linked Productivity Norms in respect of Thermal Coal handled at Mechanized Coal Handling Plant (MCHP). Penalty was implemented w.e.f 1.11.2015 and Incentive was implemented w.e.f 25.8.2017 with mutual agreement with stake holders in a consultative process.

- (i). (a) Performance / Incentive / Penalty norms for vessels working at Mechanized Coal Berths (CB1 and 2)

Sr. no.	Activity	Norm					
1.	Clearance and Loading						
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given) (i) Existing coastal vessel (i.e. already converted) (ii) Foreign vessels requiring coastal conversion	30 minutes 60mnts (30mnts normal + 30mnts additional)					
(b)	Time allowed for de-ballasting (i) Panamax Vessel (ii) Handymax/Supramax	Nil 1 hour					
(c)	Number of Times to be taken for hatch changes (i) Panamax vessel (ii) Handymax/Supramax vessel	(No. of hatches X 2+1) (No. of hatches X 2+1)					
(d)	Time allowed for draught check (2 times draught check)	1 hour					
(e)	Time allowed for final clearance from the time of completion of loading	1 hour					
2.	Average Loading Rate (Tonnes/Hour)[Berthing to Completion]						
	<table border="1"> <tr> <td>Panamax vessel</td> <td>3000</td> <td rowspan="2"> $\frac{\text{Total Qty. Loaded}}{\text{Time Taken (Berthing to Completion)}}$ </td> </tr> <tr> <td>Handymax/Supramax vessel</td> <td>2500</td> </tr> </table>	Panamax vessel	3000	$\frac{\text{Total Qty. Loaded}}{\text{Time Taken (Berthing to Completion)}}$	Handymax/Supramax vessel	2500	
Panamax vessel	3000	$\frac{\text{Total Qty. Loaded}}{\text{Time Taken (Berthing to Completion)}}$					
Handymax/Supramax vessel	2500						

- (b). Penalty for non-achievement of the above performance norms

Sr. no.	Activity	Penalty
(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹.5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms [1 (c)]	₹.5,000/- for each additional hatch change.

(c)	Levy of penalty for each additional draught check [for Item 1. (d) above]	₹.5,000/- for each additional survey beyond the stipulated 2 times.
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(c). Incentive for achievement of the above performance norms

Sr. no.	Activity	Norms	Incentive
(a)	Total allowed Time for existing Coastal Panamax vessel = 30 min (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	2 hr. 30 min	₹.5,000/- per hour or part thereof for less time taken for the above activities
(b)	Total allowed Time for existing Coastal Handymax / Supra vessel = 30 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	3 hr. 30 min	
(c)	Total allowed Time for existing Foreign going Panamax vessel = (Loading clearance time: 1 hr (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	3 hr.	
(d)	Total allowed Time for existing Foreign going Handymax / Supra vessel = (Loading clearance time: 1 hr (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	4 hr.	

(ii). Approval of the Incentive / Penalty linked Productivity Norms in respect of Thermal coal, Iron Ore and Iron Ore Pellet handled at Iron Ore Handling Plant (IOHP) which was implemented w.e.f. 25.08.2017 with mutual agreement with stake holders in a consultative process.

(i). Performance / Incentive / Penalty norms for loading Norms for Thermal Coal, Iron Ore and Iron Ore Pellet in vessels working at Mechanized Iron Ore Berth (IOB).

Sr. no.	Activity	Norms		
		Thermal Coal	Iron Ore	Iron Ore Pellets
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)			
	(i).Existing coastal vessel (i.e. already converted)	30 minutes	60 minutes	30 minutes

	(ii).Foreign vessels requiring coastal conversion	60 mnts (30mnts normal + 30mnts additional)	90mnts (60mnts normal + 30mnts additional)	60mnts (30mnts normal + 30mnts additional)
(b)	Time allowed for de-ballasting	Nil	Nil	Nil
(c)	Number of Times to be taken for hatch changes (i).Panamax vessel	(No. of loadable hatches X 2+ 1)	(No. of loadable hatches X 2+ 1)	(No. of loadable hatches X 2+ 1)
	(ii).Handymax / Supramax vessel	(No. of loadable hatches X 2+ 1)	(No. of loadable hatches X 2+ 1)	(No. of loadable hatches X 2+ 1)
(d)	Time allowed for draught check (2 times draught check)	1 hour	1 hour	1 hour
(e).	Time allowed for trimming	-	4 hour	-
(f).	Time allowed for final clearance from the time of completion of loading	1 hour	30 min (0.5 hr)	1 hour
(g).	Gross Ship day output (Tonnes) <u>Total quantity loaded</u> (Loading compl. time – Loading comm time – stoppages on Port a/c and rain /inclement weather as per SOF)	24000 TPD	42000 TPD	42000 TPD

- (ii). Penalty for non-achievement of the above performance for Thermal Coal, Iron Ore and Iron Ore Pellet

Sr. no.	Activity	Penalty		
		Thermal Coal	Iron Ore	Iron Ore Pellets
(a).	Levy of penalty for excess time taken for loading clearance, de-ballasting, draught check and other clearances as stipulated above.	₹.5,000/- per hour or part thereof	₹.5,000/- per hour or part thereof	₹.5,000/- per hour or part thereof
(b).	Levy of penalty for each additional hatch changes than the above stipulated norms [for item (i) (c) above]	₹.5,000/- for each additional hatch change.	₹.5,000/- for each additional hatch change.	₹.5,000/- for each additional hatch change.
(c).	Levy of penalty for each additional draught check [for Item (i) (d) above]	₹.5,000/- for each additional survey	₹.5,000/- for each additional survey	₹.5,000/- for each additional survey

		beyond the stipulated 2 times.	beyond the stipulated 2 times.	beyond the stipulated 2 times.
(d)	Levy of penalty for additional time taken for trimming as compared to the above stipulated norms [for item (i) (e) above]	--	₹.5,000/- per hour or part thereof	--

(iii). Incentive for achievement of the above performance for Thermal Coal, Iron Ore and Iron Ore Pellet

Sr. no.	Activity	Norms	Incentive
	Incentive for Thermal Coal and Iron Ore Pellet		
(a).	Total allowed Time for existing Coastal vessel = 30 min (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	2 hr. 30 min	₹.5,000/- per hour or part thereof for less time taken for the above activities
(b).	Total allowed Time for existing Foreign going vessel = 1 hr (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	3 hr.	
	Incentive for Iron Ore		
(a).	Total allowed Time for existing Coastal vessels = 1 hr. (Loading clearance time) + 1 hr (draft check) + 4 hr (Trimming) + 30 min (Completion to Final Clearance)	6 hr. 30 hrs.	₹.5,000/- per hour or part thereof for less time taken for the above activities
(b).	Total allowed Time for existing Foreign going vessels = 1 hr 30 min (Loading clearance time) + 1 hr (draft check) + 4 hr (Trimming) + 30 min (Completion to Final Clearance)	7 hr	

3.3. The Board of Trustees of the PPT has approved the performance norms based incentives / penalties in respect of handling Dry Bulk Cargo at PPT. The copy of the Board Resolution is furnished by the PPT.

4. In accordance with consultative procedure prescribed, a copy of the PPT proposal dated 6 January 2018 was forwarded vide our letter dated 10 January 2018 to the concerned users/ user organizations as suggested by PPT vide its email dated 6 January 2018, seeking their comments. Some of the users / user organizations have furnished their comments. The said comments were forwarded to PPT as feedback information. After our reminder letter dated 9 May 2018, the PPT vide its email dated 28 May 2018 has responded to the comments of users / user organizations.

5.1. Based on a preliminary scrutiny of the PPT proposal, additional information/ clarification was sought from PPT vide our letter dated 26 February 2018. In response, the PPT vide its email dated 23 April 2018 has responded. The information/ clarification sought by us and response of PPT thereon are tabulated below:

Sl. No.	Information/ clarification sought by us	Reply of PPT																																								
A.	<u>Performance, Incentive and Penalty Norms for Dry Bulk cargo handled conventionally</u>																																									
(i).	The Berthing Policy stipulates calculation of performance norms for dry bulk cargo under two scenarios viz. (a) For unloading operations based on commodity specific level (b) Mechanised loading operations based on different types of vessels. The method of “Unloading operations of dry bulk cargo” indicates Performance Norms for seven broad categories of dry bulk cargo and stipulates calculation of normative Productivity level for each dry bulk cargo by considering the variables like density of commodity, size of the grab available, Picking factor, no. of cycles, non-working time etc. As against that, the PPT is seen to have proposed performance norms for 5 dry bulk cargo groups i.e. Coal, Flux, Coke, Iron ore/pellets and other dry bulk cargo. Further, PPT has proposed separate performance norms for each of the cargo groups under three scenarios viz. (i). Handling of gearless/geared vessel with deployment of 2 Harbour Mobile Cranes (HMC) or above, (ii). Handling of gearless/ geared vessel with deployment of 1 HMC and (iii) Handling of geared vessels with ship cranes for each of the above cargo groups. Also, the PPT is seen to have proposed separate performance norms for the fair season and monsoon season for each of cargo items and under each of the 3 scenarios. It prima facie appears from the proposal of PPT that the proposal of PPT is not in line with the stipulation contained in the Berthing Policy 2016. The port is seen to have formulated its proposal taking into consideration of the users concern on various constraints in existing infrastructure and other factors and has stated to have made the norms simpler to make it attractive to trade. In this backdrop, the port to furnish detailed working of the productivity considered for each of the commodity group for each of the 3 scenarios of handling.	With regard to the observation of TAMP that PPT’s proposal is not in line with the stipulations contained in the Berthing Policy, 2016, it is submitted that the port has examined the Policy Guidelines very carefully and considered each of the points while proposing the extant Port specific Policy concerning to PPT depending on the local infrastructure and taking into account the concerns of the Users. (Reference Clause No. 1.1 and 7.1 of Berthing Policy of Dry Bulk Cargo for Major Ports. It may be seen that PPT has considered 5 different types of dry bulk cargo group for conventional handing as against 7 broad categories given in the Policy Guideline as below: <table><tr><th colspan="2">As per Policy</th><th colspan="2">Proposed by PPT</th></tr><tr><th>Sl. No.</th><th>Category</th><th>Sl. No.</th><th>Category</th></tr><tr><td>1.</td><td>Coal</td><td>1.</td><td>Coal</td></tr><tr><td>2.</td><td>Fertilizer (DAP + Urea)</td><td>-</td><td>-</td></tr><tr><td>3.</td><td>Salt</td><td>-</td><td>-</td></tr><tr><td>4.</td><td>Food grain/Kaolin</td><td>-</td><td>-</td></tr><tr><td>5.</td><td>Iron Ore/Mill Scale</td><td>2.</td><td>Iron Ore/Pellet</td></tr><tr><td>6.</td><td>Other Minerals</td><td>3.</td><td>Other Dry Bulk</td></tr><tr><td>7.</td><td>Dolomite</td><td>4.</td><td>Flux</td></tr><tr><td></td><td>-</td><td>5.</td><td>Coke</td></tr></table> Incidentally, PPT has taken the finer points of the objective of the Policy at 3.2 of the Policy Guideline that states the actual norms for each port will need to be calculated at a commodity level as stated below: (a) For example, in reality though there exists 2 or more different bulk density for different types of Coal, but the same has been put into a single group in the Policy stating as Coal (in the Policy) having a uniform bulk density of (0.85) though there should be 2 or more different ship day productivity norms as they have different types of density. (b) Further, Fertilizer (DAP + Urea), Salt, Food Grain/ Kaolin are 3 categories of cargo in the Policy Guideline which are not handled at Paradip Port. In view of the same, as these	As per Policy		Proposed by PPT		Sl. No.	Category	Sl. No.	Category	1.	Coal	1.	Coal	2.	Fertilizer (DAP + Urea)	-	-	3.	Salt	-	-	4.	Food grain/Kaolin	-	-	5.	Iron Ore/Mill Scale	2.	Iron Ore/Pellet	6.	Other Minerals	3.	Other Dry Bulk	7.	Dolomite	4.	Flux		-	5.	Coke
As per Policy		Proposed by PPT																																								
Sl. No.	Category	Sl. No.	Category																																							
1.	Coal	1.	Coal																																							
2.	Fertilizer (DAP + Urea)	-	-																																							
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4.	Food grain/Kaolin	-	-																																							
5.	Iron Ore/Mill Scale	2.	Iron Ore/Pellet																																							
6.	Other Minerals	3.	Other Dry Bulk																																							
7.	Dolomite	4.	Flux																																							
	-	5.	Coke																																							

		commodities are not handled at the Port, PPT feels it is not justifiable to keep productivity norms linked to penalty and incentive for such cargo even though the same is in the Policy Guideline of the Ministry. (c) Further, considering the several other categories of dry bulk cargo either Minerals or other dry bulk materials like Sponge Iron (which is a semi finished product) etc. handled at Paradip, it would be appropriate to include a category as “Other Dry Bulk” instead of “Other Minerals” as per Policy. (d) Similarly, though the Policy envisages “Dolomite” as a group with 0.7 as bulk density but as per the IMSBC Code Dolomite has bulk density in the range of 1.429 to 1.667. As PPT actually handles Dolomite and many other minerals like Lime Stone (1.19 to 1.493) , Pyroxenite (> 1.0) and Olyflux (>1.0) etc. for use as Fluxes in Steel Industries having almost similar range of bulk density like Dolomite and hence, in place of “Dolomite” as a group in the Policy, PPT has included Flux as a cargo group in its proposal. Therefore, PPT has considered the broad framework of the Guideline which clearly states that ports are required to use the approach for calculation of productivity norms for dry bulk cargo at their respective ports. As stated earlier by PPT, the cargo groupings has been done as per broad framework of the policy and similarly the productivity calculations which were done as per policy was later finalized after detailed discussions with the user with a view primarily to enhance productivity for fulfilling the objective of the Policy. In the process, PPT has not lost its focus that the basic idea of designing the port specific Policy for productivity is to enhance the ship day productivity of vessels, reduce PBD, TRT and to enhance the capacity of the existing infrastructure. Further TAMP has observed that the Policy Guideline stipulates 3 broad category of vessels like the performance in Panamax, Supramax and Handymax, PPT has classified the such category of vessels into 2 broad categories such as “Geared” ships
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		and “Gearless” ship depending upon actual working either with ships’ cranes or with HMC on shore or a combination of both, if same is required to be done. In this connection, it is felt that in case of Conventional Handling, vessel size has got less relevance as compared to the categorization of vessel as geared or gearless depending upon whether the vessel is working with Ship’s own cranes or shore based HMC. While considering the uniform number of ship cranes (i.e. 4 numbers each shift) working for each vessel to arrive at the productivity for geared ships (irrespective of classifying the vessel as Panamax, Supramax & Handymax). PPT has considered other vessels as Gearless ships which are primarily dependent upon shore HMC facilities for the entire period of working at the Port. In such category, PPT has also included scenario of working Gearless ships with 1 HMC or 2 HMC as also envisaged in the Policy Guideline. Apart from same, as envisaged in the Policy Guideline, PPT has also included the use of ship crane and HMC as a combination on some geared vessel to arrive at the desired level of productivity. Hence PPT has proposed separate productivity norms for each of the three cargo groups under three different scenarios. Further, TAMP has pointed out that while the basic Policy Guideline gives the productivity over a period of time for the whole year, PPT has classified their Performance norms one for “Fair Season” and another for “Monsoon” period for which PPT’s justifications are as below: (a) PPT feels that while all other conditions remaining the same, productivity of a vessel during “Monsoon (June to September)” will differ from that during “Fair Season (October to May)” especially in case of conventional handling. Incidentally, in case of conventional handling, the cargo evacuation from the wharves to the respective stack yard is done by dumpers. To accommodate high volume of import cargo in limited storage area, ramps are made by dumping the cargo in the yard for dumpers to climb to the top of the stack yard and dump the cargo during
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		storage. During “Monsoon”, the ramps so created for high stacking of cargo are washed / damaged due to rain water frequently thereby affecting cargo evacuation from wharves and hence the productivity of a vessel is affected. (b) Frequent heavy showers intermittently stops cargo operation on the ships leading to more idle time during “Monsoon” which are not there in the “Fair Season”. This increases the overall idle time of the ship in “Monsoon” than “Fair Season” and hence the productivity is affected. In this regard, PPT considered the genuine concerns raised on the uniform productivity throughout the year and accordingly, considering the local situation at Paradip, the Board approved the reduction of 8% (which was calculated on real data then) in productivity of such cargo during the “Monsoon”. The percentage variation in productivity in “Monsoon” vis a vis “Fair Season” has been computed and furnished by PPT, which shows on commodity to commodity, though there has been huge variations, but the average variation ranges from 7 to 33 % lower in “Monsoon” period. Accordingly, PPT has requested the Authority to consider proposal of separate productivity as submitted by PPT.
(ii).	As seen from the Para no. 4 of the proposal, it has been mentioned that port initially has worked the performance norms considering the variables like bulk density of the commodity, Grab size (in cbm), Picking factors, hook cycles per hours for different type of cranes as prescribed in the Berthing Policy, 2016. Subsequently, based on the interaction with users, the PPT has revised the performance. The Performance, so arrived is at vast variance with the productivity proposed by the PPT in the proposal. The details are as follows;	It is a fact that Port devised the initial productivity parameters for conventional handling of different types of bulk cargo taking into the variable factors like bulk density of the commodity, Grab size (in cbm), Picking factors, hook cycles per hour for different type of cranes (as given in the Policy) but after initial discussion with users, the calculated overall ship day productivity considered for 11 commodities was later modified (upward for 6 commodities / downward for 5 commodities) to rounded up figures and the same was detailed in the proposal of PPT as has been approved by the Board. Incidentally, the Policy provides for upward revision of the productivity upon achievement of the 70% of ships under clause 7.2. This would therefore be examined in details in future course of time for fixing of productivity norms for subsequent period.

A. Ship Crane (Geared vessels):

Commodity	Productivity Norms now proposed by PPT under Berthing Policy					
	Cap. of Grab/ Sling	Picking Factor	Density of cargo	Cycle time (in Mins.)	No. of Cycle per hour	Working hours per day
Coking &A.Coal	12	0.9	0.9	4	15	21
N.C. Coal/ S.Coal/ T.Coal	12	0.9	0.7	4	15	21
L.Stone/ Dolomite	12	0.6	1.40	4	15	21
Gypsum	12	0.6	1.3	4	15	21
Oilflux	12	0.6	1.70	4	15	21
Iron Ore	12	0.9	2.40	4	15	21
Pig Iron	17T-Sling Load	-	-	5	12	21
HB Iron	12	0.6	2.4	4	15	21
Coke	12	0.9	0.6	4	15	21
All other dry bulk cargo	12	-	-	-	-	21
Project Cargo	2	-	-	-	-	21

Commodity	Productivity Norms now proposed by PPT under Berthing Policy			
	No.of Hooks	Productivity per day	Fair Season	Monsoon season
Coking &A.Coal	12	12246	14000	13000
N.C. Coal/ S.Coal/ T.Coal	12	9526	14000	13000
L.Stone/ Dolomite	12	12702	13000	12000
Gypsum	12	11793	12000	11000
Oilflux	12	15423	12000	11000
Iron Ore	12	32658	15000	15000
Pig Iron	12	17136	13000	12000
HB Iron	12	21774	13000	12000
Coke	12	8166	10000	9000
All other dry bulk cargo	12	10000	13000	12000
Project Cargo	6	2000	1000	1000

B. Deployment of 1 no. HMC (Geared/ Gearless Ships)

Commodity	Productivity Norms now proposed by PPT under Berthing Policy				
	Cap. of Grab/ Sling	Picking Factor	Density of cargo	Cycle time (in Mins.)	No. of Cycle per hour
Coking &A.Coal	32	0.9	0.9	2	30
N.C. Coal/ S.Coal/ T.Coal	32	0.9	0.7	2	30
L.Stone/ Dolomite	32	0.6	1.40	2.5	24
Gypsum	32	0.6	1.3	2.5	24
Oilflux	32	0.6	1.70	2.5	24
Iron Ore	32	0.9	2.40	2.5	24
Pig Iron	50T-Sling Load	-	-	4	15
HB Iron	32	0.6	2.4	2.5	24
Coke	32	0.9	0.6	2.5	30
All other dry bulk cargo	32	-	-	-	-
Project Cargo	-	-	-	-	-

Commodity	Productivity Norms now proposed by PPT under Berthing Policy				
	Working hours per day	No.of Hooks	Productivity per day	Fair Season	Monsoon season
Coking &A.Coal	23	1	17885	15000	14000
N.C. Coal/ S.Coal/ T.Coal	23	1	13910	15000	14000
L.Stone/ Dolomite	23	1	14837	15000	14000
Gypsum	23	1	13778	14000	13000
Oilflux	23	1	18017	14000	13000
Iron Ore	23	1	42394	18000	18000
Pig Iron	23	1	26496	15000	14000
HB Iron	23	1	25436	15000	14000
Coke	23	1	11923	12000	11000
All other dry bulk cargo	-	1	13000	15000	14000
Project Cargo	-	-	3000	6000	6000

From the above tables, it can be seen that barring a few cargo items, the productivity as proposed by the PPT based on user

	interaction is very low as compared to the productivity calculated by PPT earlier though, a minimum of 15 to 20 vessels are waiting for Berth since June 2017 and pre-berthing detention has increased phenomenally mainly due to non-achievement of the potential productivity and non-evacuation of cargo from wharf. The PPT to justify proposing of lower productivity in its proposal.																																																		
(iii).	The berthing policy has prescribed few parameters for calculation of the Performance norms. On perusing the calculations furnished by the Port, it is seen that there are deviation in parameters considered by the PPT from the norms prescribed in the Berthing Policy. The port to furnish the basis for the parameters (highlighted in Bold) proposed by port for arriving at performance norms and explain the reasons for deviation (highlighted in Bold) from the parameters prescribed in Berthing Policy:	The observation of the Authority has been noted and PPT's comments on the same are furnished below in seriatim.																																																	
	(a). Density of the Commodities: <table><tr><th>Commodity</th><th>As per Berthing Policy</th><th>As per PPT Calculations</th></tr><tr><td>Coking & A.Coal</td><td>0.85</td><td>0.90</td></tr><tr><td>N.C. Coal/ S.Coal/ T.Coal</td><td>0.85</td><td>0.70</td></tr><tr><td>L.Stone/ Dolomite</td><td>0.70 (Dolomite)</td><td>1.40</td></tr><tr><td>Gypsum</td><td>1.12</td><td>1.30</td></tr><tr><td>Iron Ore</td><td>2.00</td><td>2.40</td></tr><tr><td>Coke</td><td>0.85</td><td>0.60</td></tr></table>	Commodity	As per Berthing Policy	As per PPT Calculations	Coking & A.Coal	0.85	0.90	N.C. Coal/ S.Coal/ T.Coal	0.85	0.70	L.Stone/ Dolomite	0.70 (Dolomite)	1.40	Gypsum	1.12	1.30	Iron Ore	2.00	2.40	Coke	0.85	0.60	PPT has noted the contents of observation of TAMP in relation to the bulk density parameters taken into consideration by the Policy Guideline vis a vis considered by the Port (for the calculation of productivity before classifying the group). In this regard, apart from the reference to the declaration forms submitted by the Shipping Agents of the ships, the importers as well as the exporters were consulted and the parameters of bulk density available in the websites as per International Maritime Solid Bulk Cargo (IMSBC) Code was examined while finalizing most common bulk density of the dry bulk cargo handled at Paradip Port. While the details of bulk density of dry bulk cargo as per IMSBC Code are furnished but for sake of convenience, the following table would give the picture for the commodities referred to by TAMP: <table><tr><th>Commodity</th><th>Density as per Berthing Policy</th><th>Density as per IMSBC Code</th><th>Density as per PPT Calculations</th></tr><tr><td>Coking & A.Coal</td><td>0.85</td><td>0.654 to 1.266</td><td>0.90</td></tr><tr><td>N.C. Coal/ S.Coal/ T.Coal</td><td>0.85</td><td>0.654 to 1.266</td><td>0.70</td></tr><tr><td>L. Stone/Dolomite</td><td>0.70</td><td>1.190 to 1.667</td><td>1.40</td></tr><tr><td>Gypsum</td><td>1.12</td><td>1.282 to 1.493</td><td>1.30</td></tr><tr><td>Iron Ore</td><td>2.00</td><td>1.250 to 3.500</td><td>2.40</td></tr><tr><td>Coke</td><td>0.85</td><td>0.341 to 0.800</td><td>0.60</td></tr></table>	Commodity	Density as per Berthing Policy	Density as per IMSBC Code	Density as per PPT Calculations	Coking & A.Coal	0.85	0.654 to 1.266	0.90	N.C. Coal/ S.Coal/ T.Coal	0.85	0.654 to 1.266	0.70	L. Stone/Dolomite	0.70	1.190 to 1.667	1.40	Gypsum	1.12	1.282 to 1.493	1.30	Iron Ore	2.00	1.250 to 3.500	2.40	Coke	0.85	0.341 to 0.800	0.60
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(b). Size of Grab:	<table><tr><th rowspan="2">Commodity</th><th colspan="2">As per Berthing Policy</th><th colspan="2">As per PPT Calculations</th></tr><tr><th>100 MT HMC</th><th>Ship crane</th><th>100 MT HMC</th><th>Ship crane</th></tr><tr><td>Coking &A.Coal</td><td>35</td><td>22</td><td>32</td><td>12</td></tr><tr><td>N.C. Coal/ S.Coal/ T.Coal</td><td>35</td><td>22</td><td>32</td><td>12</td></tr><tr><td>L.Stone/ Dolomite</td><td>35</td><td>22</td><td>32</td><td>12</td></tr><tr><td>Gypsum</td><td>28</td><td>18</td><td>32</td><td>12</td></tr><tr><td>Iron Ore</td><td>20</td><td>12</td><td>32</td><td>12</td></tr><tr><td>Coke</td><td>35</td><td>22</td><td>32</td><td>12</td></tr></table>	Commodity	As per Berthing Policy		As per PPT Calculations		100 MT HMC	Ship crane	100 MT HMC	Ship crane	Coking &A.Coal	35	22	32	12	N.C. Coal/ S.Coal/ T.Coal	35	22	32	12	L.Stone/ Dolomite	35	22	32	12	Gypsum	28	18	32	12	Iron Ore	20	12	32	12	Coke	35	22	32	12	While the Policy has considered the cubic capacity of HMC grabs at 35 CBM in majority of commodities (excluding Gypsum and Iron Ore), PPT has considered the Grab size as 32 CBM, as usually the HMC being worked at PPT are with 32 CBM Grabs. More so, in case of Iron Ore / Gypsum handled conventionally only in rare cases HMC grabs are used and when such use is done in Iron Ore, actually 20 CBM grab is utilized for the safety in work instead of 32 CBM grab capacity as taken into consideration by PPT wrongly. In case of geared ships, the grab capacity though the Policy Guideline has considered either 12/10/8 CBM grabs but TAMP has probably taken the same as 22/18/12 CBM respectively by oversight which is for 60 – 80 MT HMC in the Policy. In any case, at PPT more or less ships working with their own gear are attached with 12 CBM grabs and hence PPT has considered uniformly 12 CBM grabs instead of 12 / 10 / 8 CBM grab as has been mentioned in the Policy.																										
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		It may be added that practically for discharging the top cargo from the hatches, the cycle time is nearly 2 min but when the cargo from bottom of the hatch is unloaded the cycle time increases to approximately 3 min and therefore PPT has considered 50 % of the hook cycle to be with 2 min and 50% of the hook cycle as 3 min thereby averaging the hook cycle numbers to 24 per hour for the entire vessel as against the full grab load or partial grab load consideration by the Policy. In case of ship cranes working, considering the number of cranes involvement being more and there is a sizeable difference in hook cycle time for full load (top cargo) and partial load (bottom cargo). PPT has considered average of cycle time as 4 min and hence 15 cycles per hour vis a vis the Policy consideration of 18 cycles per hour for full load condition (3.33 minutes per cycle) and 12 cycles per hour for partial load condition (5 min per cycle).																																																																																																																																												
(iv).	Further, Berthing policy does not provide prescription of separate productivity norms for fair season and monsoon season. However, the port has prescribed a lower productivity norms for monsoon season. The PPT to justify considering the low productivity in monsoon season in terms of picking factor, cycle time per hour etc. with detailed calculation.	The reasons for prescription of separate productivity norms for “Fair Season” and for “Monsoon” season has been done by PPT to address the concerns of users the reasons for which have been explained at item (i) above. Nevertheless, the information as sought in this regard is as follows: Comparison of Productivity during Monsoon and fair weather in 2017-18: (a). Geared Vessels <table><tr><th></th><th colspan="3">1HMC</th><th colspan="3">2HMC</th></tr><tr><th>COMM GROUP</th><th>FAIR</th><th>MONS</th><th>% Var</th><th>FAIR</th><th>MONS</th><th>% Var</th></tr><tr><td>ALL OTHER DRY BULK</td><td>9680</td><td>11729</td><td>21%</td><td>24336</td><td>15101</td><td>-38%</td></tr><tr><td>C COAL/A COAL</td><td>12685</td><td>10043</td><td>-21%</td><td>19140</td><td>9182</td><td>-52%</td></tr><tr><td>COKE</td><td>10152</td><td>9733</td><td>-4%</td><td>14038</td><td>12090</td><td>-14%</td></tr><tr><td>GYPSUM</td><td>10226</td><td>9954</td><td>-3%</td><td>20331</td><td>12751</td><td>-37%</td></tr><tr><td>L STONE /DOLOMITE</td><td>11841</td><td>11003</td><td>-7%</td><td>15159</td><td>16704</td><td>10%</td></tr><tr><td>N C COAL/S COAL /TH COAL</td><td>13584</td><td>9386</td><td>-31%</td><td>19731</td><td>13970</td><td>-29%</td></tr><tr><td>OLIFLUX</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>AVERAGE</td><td>11423</td><td>10661</td><td>-7%</td><td>18420</td><td>14406</td><td>-22%</td></tr></table> <table><tr><th></th><th colspan="3">>2HMC</th><th colspan="3">SHIP CRANE</th></tr><tr><th>COMM GROUP</th><th>FAIR</th><th>MONS</th><th>% Var</th><th>FAIR</th><th>MONS</th><th>% Var</th></tr><tr><td>ALL OTHER DRY BULK</td><td></td><td></td><td></td><td>9666</td><td>8098</td><td>-16%</td></tr><tr><td>C COAL/A COAL</td><td>32745</td><td>31934</td><td>-2%</td><td>10667</td><td>7548</td><td>-29%</td></tr><tr><td>COKE</td><td>12437</td><td></td><td></td><td>6261</td><td>7405</td><td>18%</td></tr><tr><td>GYPSUM</td><td>20870</td><td></td><td></td><td>10645</td><td>8925</td><td>-16%</td></tr><tr><td>L STONE /DOLOMITE</td><td>29699</td><td>24674</td><td>-17%</td><td>13182</td><td>11028</td><td>-16%</td></tr><tr><td>N C COAL/S COAL /TH COAL</td><td>23391</td><td></td><td></td><td>11782</td><td>10634</td><td>-10%</td></tr><tr><td>OLIFLUX</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>AVERAGE</td><td>26025</td><td>28447</td><td>9%</td><td>10360</td><td>8697</td><td>-16%</td></tr></table>		1HMC			2HMC			COMM GROUP	FAIR	MONS	% Var	FAIR	MONS	% Var	ALL OTHER DRY BULK	9680	11729	21%	24336	15101	-38%	C COAL/A COAL	12685	10043	-21%	19140	9182	-52%	COKE	10152	9733	-4%	14038	12090	-14%	GYPSUM	10226	9954	-3%	20331	12751	-37%	L STONE /DOLOMITE	11841	11003	-7%	15159	16704	10%	N C COAL/S COAL /TH COAL	13584	9386	-31%	19731	13970	-29%	OLIFLUX							AVERAGE	11423	10661	-7%	18420	14406	-22%		>2HMC			SHIP CRANE			COMM GROUP	FAIR	MONS	% Var	FAIR	MONS	% Var	ALL OTHER DRY BULK				9666	8098	-16%	C COAL/A COAL	32745	31934	-2%	10667	7548	-29%	COKE	12437			6261	7405	18%	GYPSUM	20870			10645	8925	-16%	L STONE /DOLOMITE	29699	24674	-17%	13182	11028	-16%	N C COAL/S COAL /TH COAL	23391			11782	10634	-10%	OLIFLUX							AVERAGE	26025	28447	9%	10360	8697	-16%
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(v).	The port to provide the actual productivity achieved during the year 2016-17 and 2017-18 (upto December 2017) for each of the dry bulk commodity mentioned in the following format: <table><tr><th rowspan="2">Commodity</th><th colspan="2">Vessels handled with 2 HMC's</th><th colspan="2">Vessels handled with 1 HMC</th><th colspan="2">Geared Vessels handled with Ship cranes</th></tr><tr><th>During Fair Season</th><th>During Monsoon Season</th><th>During Fair Season</th><th>During Monsoon Season</th><th>During Fair Season</th><th>During Monsoon Season</th></tr><tr><td>Coking & A.Coal</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>N.C. Coal/ S.Coal/ T.Coal</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>L.Stone/ Dolomite</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Gypsum</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Oliflux</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Iron Ore</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Pig Iron</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>HB Iron</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Coke</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>All other dry bulk cargo</td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	Commodity	Vessels handled with 2 HMC's		Vessels handled with 1 HMC		Geared Vessels handled with Ship cranes		During Fair Season	During Monsoon Season	During Fair Season	During Monsoon Season	During Fair Season	During Monsoon Season	Coking & A.Coal							N.C. Coal/ S.Coal/ T.Coal							L.Stone/ Dolomite							Gypsum							Oliflux							Iron Ore							Pig Iron							HB Iron							Coke							All other dry bulk cargo																																																																
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(b). Gearless Vessel

	3500/- per hour or part thereof for levying penalty/ granting incentive; (ii).Basis for the amount of ₹ 3500/- per hour or part thereof; (iii).Reason for not proposing incentive/ penalty as stipulated in Berthing Policy.	<table border="1"> <tr> <th>Vessel Type</th><th>GRT</th><th>Berth hire per hour (1 USD: ₹. 65/-)</th></tr> <tr> <td>Panamax</td><td>41073</td><td>₹. 6340.62</td></tr> <tr> <td>Supramax</td><td>31251</td><td>₹. 4824.27</td></tr> <tr> <td>Handymax</td><td>36021</td><td>₹. 4017.00</td></tr> </table> Further considering the fact that despite the size of the vessel, the productivity remaining the same, it has been considered by PPT that charging the penalty to larger vessel (Panamax) at a higher rate than the rate to be charged to a small vessel (Handymax) linked to berth hire would be unfair. Even for this, the users raised the concern that while they will make all efforts to achieve the productivity norms to be set, the penalty norms may be moderated to a round figure on the lower side than the actual level as the penalty in many case on actual basis could be very steep for coastal vessels for which the Tariff Policy Guidelines stipulates normally a lower rate of 40%. In view of the above, taking the concerns of users, it was considered that penalty to be levied at the rate of Rs. 3,500/- per hour which is lower than the berth hire of Rs. 4017.00 per hour for the smaller category Handymax vessels and the rate of penalty per hour of Rs. 3,500/- was duly approved by the Board. Further though the Policy stipulates incentive to be usually 1/3 of the penalty, but it was considered by PPT that for achieving the productivity the rate of incentive will be equal to the rate of penalty which would encourage the users to achieve the stipulated productivity. This was also approved by the Board. Accordingly, the Authority is requested to approve the same.	Vessel Type	GRT	Berth hire per hour (1 USD: ₹. 65/-)	Panamax	41073	₹. 6340.62	Supramax	31251	₹. 4824.27	Handymax	36021	₹. 4017.00
Vessel Type	GRT	Berth hire per hour (1 USD: ₹. 65/-)												
Panamax	41073	₹. 6340.62												
Supramax	31251	₹. 4824.27												
Handymax	36021	₹. 4017.00												
(viii).	The Berthing Policy, 2016, issued by the Government is with regard to handling of dry bulk cargo. The PPT has also proposed productivity for steel/ break bulk/ project cargo handled conventionally in addition to prescription of productivity for dry bulk cargo. In this regard, the PPT to clarify the reason for proposing the productivity for steel / break bulk/ project cargo along with Bulk cargo.	Though the Policy is designed for dry bulk cargo, PPT considered that the penalty / incentive linked to ship day productivity would enhance the overall productivity of the port and hence steel / break bulk / project cargo was included in the berthing Policy for the Port which was approved by the Board. Accordingly, it is requested that the same may be considered by the Authority.												
(b).	<u>Performance, Incentive and Penalty Norms for Dry Bulk cargo handled at Mechanized Berths</u>													
(i).	Clause 4.2 of the Berthing Policy	Port has made detailed analysis of the												

prescribes the methods for calculation of the performance norms for loading of dry bulk through different types of vessels. The PPT has proposed productivity, incentive and penalty norms based on four scenarios for mechanized handling of dry bulk in its proposal. In this connection, it is seen that following are the deviation in parameters considered by the PPT from the norms prescribed in the Berthing Policy. The port to furnish the basis for the parameters **(highlighted in Bold)** proposed by port for arriving at performance norms and justify deviation **(highlighted in Bold)** from the parameters prescribed in Berthing Policy:

Sl. No	Activity	As per Berthing Policy Guidelines	Vessels working at mechanized Coal berths (CB 1 & 2)	Vessels working at mechanized iron ore berths (IOB for Coal loading)	Vessels working at mechanized iron ore berths (IOB for iron ore pellet loading)	Vessels working at mechanized iron ore berths (IOB for iron ore pellet loading)
I	CLEARANCE & LOADING					
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given)					
	(i). Existing coastal vessel (i.e. already converted)	1 hours	30 minutes	30 minutes	30 minutes	30 minutes
	(ii). Foreign vessels requiring coastal conversion		60mnts (30mnts normal + 30mnts additional)	60mnts (30mnts normal + 30mnts additional)	60mnts (30mnts normal + 30mnts additional)	60mnts (30mnts normal + 30mnts additional)
(b)	Time allowed for de-ballasting (i). Panamax Vessel (ii). Handymax/Supramax		Nil	Nil	Nil	Nil
(c)	Number of Times to be taken for hatch changes (i). Panamax vessel (ii). Handymax/ (iii). Supramax vessel	3 hrs 45 min. (7 hatchesx 2+1 x 15 min) 2 hrs 45 min (5 hatchesx 2+1 x 15 min) 3 hrs 15 min (6 hatchesx 2+1 x 15 min)	(No. of hatches X 2+ 1) (No. of hatches X 2+ 1)	(No. of hatches X 2+ 1) (No. of hatches X 2+ 1)	(No. of hatches X 2+ 1) (No. of hatches X 2+ 1)	(No. of hatches X 2+ 1) (No. of hatches X 2+ 1)
(d)	Time allowed for draught check (2 times draught check)	1 hour	1 hour	1 hour	1 hour	1 hour
(e)	Time allowed for final clearance from the time of completion of loading	1 hour	1 hour	1 hour	30 min	1 hour
II	AVERAGE LOADING RATE (Tonnes/Hour)[Berthing to Completion]					
(a)	(i) Panamax vessel (ii) Handymax/ Supramax Vessel Total Qty. Loaded Time Taken (Berthing to Completion)	3250 2500 2750	3000 2500 ----	24000 TPD (1000 per hr.) ----	42000 ----- 1750 per	42000 TPD (1750 per
III	PENALTY FOR NON-ACHIEVEMENT OF THE ABOVE PERFORMANCE					

Policy Guidelines, which was derived with an objective to improve the berthday output so that the ship can have a faster turnaround and the resultant pre-berthing delay for the subsequent vessel. If successfully implemented upon the designed parameters, the same capacity of the berth will get enhanced (i.e., re-rating of the berth capacity). In this background, in the mechanical handling system of MCHP and IOHP at PPT, non-achievement of the designed productivity can be attributable to Port like that on the stevedores in case of conventional ships. Therefore the incentive/penalty design of conventional vessels can not be same for mechanized handling in PPT for which the port considers avoidable which are normally caused by ships or its agent like placement of gangway, initial/interim/final survey, no. of hatch changes, deballasting etc and freeze the allowable time for individual activities (as envisaged in the Policy). As a result of which, Port has considered that for any mechanical failure of port loading system, the ship has to stay at berth for the entire period of stay at berth resulting therein longer duration than the scheduled stay based on the ship day productivity parameters for which Port can't charge penal berth hire for this longer duration of stay of the vessel.

Further, in the mechanized berth any productivity linked penalty / incentive payment / collection respectively was analysed by the Port due to non-involvement of any stevedore or service provider. In the meeting with the Port Users, it was considered that since PPT is responsible for actual loading of the ship, PPT may consider any possible factor in the Policy (such as delayed survey time, increase in number of scheduled hatch changes in case of Panamax and Supramax / Handymax, pre and post commencement time related to survey and documentation), which may affect the overall ship day productivity of the ship at the mechanized berth leading to penalty is attributable to the ship or the ship agent.

In view of the above PPT has considered various factors that may affect the overall ship day productivity performance at the mechanized berth those are attributable to the ships / ship agents and fixed a norm and timeframe for payment of penalty beyond the scheduled allowable time @ Rs. 5, 000/- per hour or part thereof for each activity. Upon discussion with the users of mechanized berths, the same was

	(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	3 x berth hire x additional time.	Rs.5,000/- per hour or part thereof	Rs.5,000/- per hour or part thereof	Rs.5,000/- per hour or part thereof	Rs.5,000/- per hour or part thereof
	(b)	Levy of penalty for each additional hatch changes than the above stipulated norms [1 (c)]	if the berth stay is more than 5% higher than the stipulated time	Rs.5,000/- for each additional hatch change.	Rs.5,000/- for each additional hatch change.	Rs.5,000/- per hour or part thereof	Rs.5,000/- per hour or part thereof
	(c)	Levy of penalty for each additional draught check[for item I (d) above]	(Stipulated time = 1 hour : pre commencement + 1 hour: Draught Check + Loading time: Qty loaded/ prescribed Ave. loading rate + Prescribed hatch changing time+ 1 hour : Post Completion).	Rs.5,000/- for each additional survey beyond the stipulated 2 times.	Rs.5,000/- for each additional survey beyond the stipulated 2 times.	Rs.5,000/- per hour or part thereof	Rs.5,000/- per hour or part thereof
IV	INCENTIVE FOR ACHIEVEMENT OF THE ABOVE PERFORMANCE NORMS						
	(a)	Total allowed Time for existing Coastal Panamax vessel = 30 min (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	1 x berth hire x time saved if the berth stay is more than 5% lower than the stipulated time (Stipulated time = 1 hour : pre commencement + 1 hour: Draught Check + Loading time: Qty loaded/ prescribed Ave. loading rate + Prescribed hatch changing time+ 1 hour : Post Completion)	2 hr. 30 min Rs.5,000/- per hour or part thereof for less time taken for the above activities	2 hr. 30 min Rs.5,000/- per hour or part thereof for less time taken for the above activities	5 hr. 30 min Rs.5,000/- per hour or part thereof for less time taken for the above activities	2 hr. 30 min Rs.5,000/- per hour or part thereof for less time taken for the above activities
	(b)	Total allowed Time for existing Coastal Handymax / Supra vessel = 30 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	1 hour : pre commencement + 1 hour: Draught Check + Loading time: Qty loaded/ prescribed Ave. loading rate + Prescribed hatch changing time+ 1 hour : Post Completion	3 hr. 30 min Rs.5,000/- per hour or part thereof for less time taken for the above activities	3 hrs. Rs.5,000/- per hour or part thereof for less time taken for the above activities	7 hr Rs.5,000/- per hour or part thereof for less time taken for the above activities	3 hr Rs.5,000/- per hour or part thereof for less time taken for the above activities
	(c)	Total allowed Time for existing Foreign going Panamax vessel = (Loading clearance time: 1 hr (Loading clearance time) + 1 hr(draft check) + 1 hr (Completion to Final Clearance)	Prescribed hatch changing time+ 1 hour : Post Completion	3 hr. Rs.5,000/- per hour or part thereof for less time taken for the above activities	3 hrs Rs.5,000/- per hour or part thereof for less time taken for the above activities		
	(d)	Total allowed Time for existing Foreign going Handymax / Supra vessel = (Loading clearance time: 1 hr (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)		4 hr. Rs.5,000/- per hour or part thereof for less time taken for the above activities			

(ii).

Para no. 8 of the Berthing Policy 2016 “Liking Incentives and penalties with norms” stipulates that if a ship stays is more than 5% higher than the stipulated time, the number of additional hours spent at berth will be penalized at 3 x berth hire. Likewise, if the ship stays more than 5% lesser than stipulated time, the number of hours saved will be incentivized at 1 x berth hire. As seen from the above statement, the PPT has prescribed separate penalty scheme for each of

introduced which has been ratified by the Board.

More so as the involvement of stevedore at PPT in the mechanized Coal handling or iron ore plant is not there, a question arose as to the stipulated loading time to the vessel or its agent.

It is also brought to notice that the referred incentive scheme has been introduced for the first time among all Major Ports prior to framing the Berthing Policy in consultation with Port Users w.e.f. 01.11.2015 and this has improved all performance parameters of Mechanical berths MCHP substantially as can be seen below:

PERFORMANCE PARAMETERS OF MECHANIZED COAL BERTHS (CB1, CB2), PPT				
PARAMETERS	2014-15	2015-16	2016-17	2017-18
CARGO HANDLED IN MMT	21.31	23.70	19.70	22.13
SHIP DAY PRODUCTIVITY (TPD)	32360	39753	52843	46754
TURN ROUND TIME (DAYS)	4.07	3.75	3.35	1.74 (*)
PRE BERTHING DETENTION (HR.)	55.12	53.9	51.21	7.63 (*)
NO. OF SHIPS	387	416	331	368
% OCCUPANCY OF BERTHS	89.18	81.1	50.99	62.73

(*) Calculated excluding the pre-berthing waiting time at anchorage for reasons not attributable to the port as has been instructed by the MoS through IPA in 2017.

NB: (i) The Performance linked to Penalty / Incentive was introduced at MCHP, PPT on 01.11.2015 (i.e., in the 3 quarters of FY 2015-16 much before the Berthing Policy came i.e., during June 2016).

(ii) The Thermal Coal Traffic after 2015 -16 for coastal movement has come down due to less materialization of supply from Mahanadi Coalfield (MCL) which prompted PPT to handle Iron Ore Pellets, Iron Ore through MCHP in 2017-18 which though has registered increase in volume, but the shipday productivity has come down comparatively due to combination of cargo profile instead of exclusive Thermal Coal handling in previous 3 years.

(iii) The above working of MCHP shows that despite 89.18% of berth occupancy, the throughput was only 21.31% due to low average shipday productivity of 32,360 TPD. However, the introduction of productivity norms linking the same to penalty and incentive shows that in 2017-18 the same berth could handle 22.13 MMT of cargo with an occupancy of 62.73% and this has unleashed berth capacity.

Similar initiative has later been introduced at Mechanized IOB operated by PPT and the same is expected to achieve a positive result.

In view of the same, it is requested to peruse and give suitable approval for the existing penalty / incentive scheme of MCHP (CB1 & CB2) and for IOB, PPT.

- (ii). Para no. 8 of the Berthing Policy 2016 “Liking Incentives and penalties with norms” stipulates that if a ship stays is more than 5% higher than the stipulated time, the number of additional hours spent at berth will be penalized at 3 x berth hire. Likewise, if the ship stays more than 5% lesser than stipulated time, the number of hours saved will be incentivized at 1 x berth hire. As seen from the above statement, the PPT has prescribed separate penalty scheme for each of

	individual activities like (a) loading clearance, de-ballasting, final draught check and other clearances, (b) hatch changes (c) draft check (d) trimming operations etc. at an absolute amount of Rs. 5000 per hour or part thereof for levying penalty for the vessel exceeding the stipulated time for that specific activity. Further, the penalty scheme for loading at the performance level appears to be not included in the proposal. (Excess of time taken for loading over the stipulated time for loading i.e. Actual time taken - Total tonnage / prescribed performance norms). The PPT is requested to provide detailed justification for the deviation in the parameters considered in the proposed incentive/ penalty scheme for handling dry bulk cargo at mechanized berths. PPT to also provide justification in support of prescribing ₹. 5000 per hour or part thereof for levying penalty for each of the activity. With regard to the incentive scheme, the PPT has not linked the incentive with the berth hire charges as prescribed in the Berthing Policy 2016, and the Port has prescribed composite amount of ₹.5000 per hour or part thereof for various class of vessels as an incentive for early completion of activities viz. loading clearance time, deballasting, draft check, Completion to Final Clearance in the specified time. However, the loading time at the performance level appears to be not included in the proposal. (Time saved in loading over the stipulated time for loading i.e. Total tonnage / prescribed performance norms- Actual time taken). In light of the above, the PPT to confirm the position and justify for not following the incentive scheme as prescribed in the Berthing Policy, 2016.	
(c).	<u>Penalty scheme for non-evacuation of cargo from wharf</u>	
(i).	The Berthing Policy, 2016 has not provided specifically levying of penalty for non-evacuation of cargo from wharf. However, PPT has proposed a penalty scheme for non-evacuation of cargo from wharf within 4 hours from the completion of vessel operation on the ground that accumulation of cargo on wharf due to slow evacuation, was affecting the discharge of the incoming vessels leading to idling of vessels at berth and there by affecting the performance of the berth. The scheme proposed by the port envisages levy of penalty for non-clearance of cargo within 4	In conventional handling of cargo, the licensed Stevedores are primarily responsible for monitoring the work including dumpers movement for intraport transportation of the discharged cargo from the wharf that will facilitate faster berthing of subsequent vessels and hence improve the TRT and reduce congestion at the Port. It is because of the inefficiency of Stevedores in wharf clearance, the subsequent ship berthed at the Port cannot start her work which would directly affect the productivity and hence the potential berth capacity. This will lead to non-

	hours from the sailing of the vessel at the rate equal to wharfage of expected quantity of cargo could have been discharged, had there been no obstruction of un-cleared cargo. In this regard, the port is requested to propose a suitable provision along with conditionalities governing levy of penalty, for prescription in the scale of Rates.	achievement of re-assessed berth capacity of PPT as has been notified by the MOS. For the reasons explained above, while the Port will pay incentive as per the agreed productivity parameters, Port should be allowed to charge penalty for non-performance by the Stevedores as a deterrent. Incidentally, for improvement in Turn-round Time of ships, Major Ports have been advised by the MoS to impose penalty on Stevedores for delay in clearance of cargo from the wharf (vide communication of IPA on 21.03.2018). Further, the Authority is requested to kindly refer PPT's detailed reply on 02-12-2017 (both by email and in hard copy) in this regard in reference to TAMP's email of 02-11-2017 (in reference to the issue raised earlier by Paradip Port Stevedores Association in the matter). Accordingly, TAMP is requested to consider the proposal of PPT in this regard.																																																					
(ii).	Considering that the scheme is in vogue since 10 August 2017, the actual receipts earned by the port in this regard to be furnished.	As advised, the details of receipt of penalty due to the delay in clearance of wharf from the Stevedores in respect of vessels working at berth from 04.10.2017 (i.e., the actual date of consideration) to 31.03.2018 is ₹. 25,74,131/- inclusive of applicable taxes.																																																					
(d).	The performance norms for conventional handling dry bulk cargo considered by PPT in the proposal are lower than the productivity norms considered for the dry bulk cargo in the proposal filed by the PPT for fixation of normative tariff for the Stevedoring and Shore handling operation at PPT, which are reported to have been considered based on the actual average productivity achievement during March 2016 to September 2016. The Clause 7.1 of the guidelines for determination of upfront tariff for Stevedoring and Shore Handling operation authorized by the Major Port Trusts stipulates that the operator would be entitled to 100% WPI indexation instead of 60% WPI indexation from second year of operation on achievement of 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. PPT issues licenses to Stevedores for handling cargo in conventional berths of PPT. Considering that the performance norms for Dry Bulk Cargo proposed by PPT in its current Berthing Policy proposal is lower than the Performance norms for	The Berthing Policy Productivity norms (for conventional handling of Dry Bulk Cargo at PPT linked to levy of Penalty or payment of Incentive is not lower than the Productivity Norms earlier considered by the Authority under the Stevedoring and Shore Handling Operations. A comparative statement is given below: <table><tr><th rowspan="2">Cargo</th><th rowspan="2">Type of vessel</th><th colspan="2">Productivity Norms for PPT in MT</th></tr><tr><th>As per SSHP</th><th>As per BP</th></tr><tr><td rowspan="2">Coking Coal</td><td>Gearless</td><td>10618</td><td>14000</td></tr><tr><td>Gearless</td><td>14665</td><td>15000</td></tr><tr><td rowspan="2">Non-coking coal</td><td>Gearless</td><td>10618</td><td>14000</td></tr><tr><td>Gearless</td><td>14665</td><td>15000</td></tr><tr><td rowspan="2">Lime Stone / Dolomite etc. as Flux</td><td>Gearless</td><td>10668</td><td>12000</td></tr><tr><td>Gearless</td><td>10392</td><td>14500</td></tr><tr><td rowspan="2">Iron Ore / Pellet etc</td><td>Gearless</td><td>14494</td><td>15000</td></tr><tr><td>Gearless</td><td>14932</td><td>18000</td></tr><tr><td rowspan="2">Other Dry</td><td>Gearless</td><td>8146</td><td>13000</td></tr><tr><td>Gearless</td><td>10881</td><td>15000</td></tr><tr><td>Steel (Coils/Slab)</td><td>Gearless</td><td>4152</td><td>6000</td></tr><tr><td>Steel (Pipes/Tubes)</td><td>Gearless</td><td>2100</td><td>2000</td></tr><tr><td>Project cargo</td><td>Gearless</td><td>1000</td><td>1000</td></tr></table> SSHP: Stevedoring and Shore Handling Policy BP: Berthing Policy As per BP, on Gearless ships 1 HMC productivity given for comparison.	Cargo	Type of vessel	Productivity Norms for PPT in MT		As per SSHP	As per BP	Coking Coal	Gearless	10618	14000	Gearless	14665	15000	Non-coking coal	Gearless	10618	14000	Gearless	14665	15000	Lime Stone / Dolomite etc. as Flux	Gearless	10668	12000	Gearless	10392	14500	Iron Ore / Pellet etc	Gearless	14494	15000	Gearless	14932	18000	Other Dry	Gearless	8146	13000	Gearless	10881	15000	Steel (Coils/Slab)	Gearless	4152	6000	Steel (Pipes/Tubes)	Gearless	2100	2000	Project cargo	Gearless	1000	1000
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Project cargo	Gearless	1000	1000																																																				

	Dry Bulk Cargo as proposed by PPT in its Stevedoring and Shore Handling proposal, it may lead to an anomalous position of the stevedoring and shore handling rates getting indexed by 100% (due to meeting productivity as prescribed based on Berthing Policy) even when the Stevedores have not achieved the productivity prescribed on Stevedoring and Shore handling Policy. In view of the above, the port to consider reviewing the productivity for the dry bulk cargo in the current proposal under reference upwards, so as to remove the anomalous position.																																																																																									
(e).	<u>Levy of Anchorage Charges</u> The berthing policy, 2016 stipulates prescription of levy of anchorage charges in order to reduce the pre-berthing detention and improve the overall turnaround time (TRT) across the Major Port. As seen from the proposal of the PPT, the port has not proposed the levy of anchorage charges as stipulated in the Berthing Policy 2016. The PPT has reported that 15 to 20 vessels are waiting for berth since June 2017 and pre-berthing detention has increased. The port to look into the matter and propose the levy of anchorage charges following the Berthing Policy, 2016 guidelines, if necessary.	PPT did not consider it prudent for levy of anchorage charges for pre-berthing detention to improve the PBD/TRT, as this would surely end in diversion of vessels to neighboring 2 Non-Major Ports considering the local situation at the Port and in the region. Even though 15 to 20 ships were waiting for PPT since June, 2017 for berthing, but not all of them are for want of berth only. In many cases, the waiting at Anchorage during the period was due to bunched arrival of ships, non-readiness of vessel to work and/or due to paucity of Storage space, / Ullage of the users/ want of documents etc., the ship berthing is delayed hence the increase in waiting time at Anchorage. Compilation of the position of waiting vessels from Daily Traffic Review (DTR) of Port for every Sundays for the Months of June, July, August and September 2017 is as follows. This justifies views of PPT as given above. <table><tr><th colspan="4">STATEMENT OF WAITING VESSELS READY AND NOT READY STATUS ON EVERY SUNDAY FOR THE MONTH OF JUNE TO SEPTEMBER,2017</th></tr><tr><th>Date</th><th>Vessel ready</th><th>Vessels not ready</th><th>TOTAL</th></tr><tr><td>JUNE, 2017</td><td></td><td></td><td></td></tr><tr><td>4.06.2017</td><td>6</td><td>7</td><td>13</td></tr><tr><td>11.06.2017</td><td>8</td><td>7</td><td>15</td></tr><tr><td>18.06.2017</td><td>13</td><td>9</td><td>22</td></tr><tr><td>25.06.2017</td><td>6</td><td>10</td><td>16</td></tr><tr><td>JULY, 2017</td><td></td><td></td><td></td></tr><tr><td>2.07.2017</td><td>6</td><td>8</td><td>14</td></tr><tr><td>9.07.2017</td><td>5</td><td>9</td><td>14</td></tr><tr><td>16.07.2017</td><td>7</td><td>9</td><td>16</td></tr><tr><td>23.07.2017</td><td>14</td><td>13</td><td>27</td></tr><tr><td>30.07.2017</td><td>18</td><td>9</td><td>27</td></tr><tr><td>AUG, 2017</td><td></td><td></td><td></td></tr><tr><td>6.08.2017</td><td>10</td><td>6</td><td>16</td></tr><tr><td>13.08.2017</td><td>11</td><td>10</td><td>21</td></tr><tr><td>20.08.2017</td><td>7</td><td>12</td><td>19</td></tr><tr><td>27.08.2017</td><td>9</td><td>14</td><td>23</td></tr><tr><td>SEP, 2017</td><td></td><td></td><td></td></tr><tr><td>3.09.2017</td><td>8</td><td>13</td><td>21</td></tr><tr><td>10.09.2017</td><td>6</td><td>10</td><td>16</td></tr><tr><td>17.09.2017</td><td>5</td><td>10</td><td>15</td></tr></table>	STATEMENT OF WAITING VESSELS READY AND NOT READY STATUS ON EVERY SUNDAY FOR THE MONTH OF JUNE TO SEPTEMBER,2017				Date	Vessel ready	Vessels not ready	TOTAL	JUNE, 2017				4.06.2017	6	7	13	11.06.2017	8	7	15	18.06.2017	13	9	22	25.06.2017	6	10	16	JULY, 2017				2.07.2017	6	8	14	9.07.2017	5	9	14	16.07.2017	7	9	16	23.07.2017	14	13	27	30.07.2017	18	9	27	AUG, 2017				6.08.2017	10	6	16	13.08.2017	11	10	21	20.08.2017	7	12	19	27.08.2017	9	14	23	SEP, 2017				3.09.2017	8	13	21	10.09.2017	6	10	16	17.09.2017	5	10	15
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		TOTAL	151	163	314																																																																																																																															
		Further, it is informed that the calculation of TRT now is being considered excluding the waiting time of ship at anchorage (Reference the letter issued by IPA dated 02.01.2017) as per the instruction of MoS.																																																																																																																																		
		Considering the above facts, PPT communicated its decision of not levying such charges for waiting of ships at Anchorage to Ministry of Shipping vide letter No.TD/TM/P&LK-27/2016(Pt.II)/336 on 25.10.2016. The PPT communicated that with regard to anchorage charges, PPT faces competitions from private ports like Dhamra and Gopalpur which are in its immediate vicinity and also from Gangavaram Port which do not levy such charges. Levy of anchorages charges as proposed in the Policy will merely result in diversion of vessels and cargo to these private ports. Thus, it was communicated that PPT does not agree for implementation of anchorage charges.																																																																																																																																		
(f).	<u>Rerating of Berthing Capacity</u> The berthing policy envisages rerating of the capacity of the berth. The PPT to, therefore, look into this aspect and rerate capacity of berths as per stipulation in the Berthing Policy.	Considering the productivity norms under the berthing Policy, vis a vis the productivity being achieved at PPT, PPT's berth capacity has been re-rated and same has been accepted by the MOS for all purpose as given below:																																																																																																																																		
		<table><tr><th>Berth No.</th><th>Types of commodities</th><th>As on 30.10.17 (Re-rated Capacity)</th><th>As on 31.3.17</th><th>As on 31.3.16</th><th>As on 31.3.15</th><th>As on 31.3.14</th></tr><tr><td>Oil Jetty</td><td>P.O.L</td><td>8.60</td><td>17.50</td><td>17.50</td><td>17.50</td><td>7.50</td></tr><tr><td>Single Point Mooring-I, II & III</td><td>Crude Oil</td><td>60.20</td><td>37.00</td><td>37.00</td><td>37.00</td><td>37.00</td></tr><tr><td>Iron Ore Berth</td><td>Iron Ore</td><td>10.90</td><td>6.39</td><td>6.39</td><td>4.50</td><td>4.50</td></tr><tr><td>East Quay-I</td><td>General /Break Bulk Cargo</td><td>2.20</td><td>3.23</td><td>3.23</td><td>1.51</td><td>1.51</td></tr><tr><td>East Quay-II</td><td>General/Break Bulk Cargo</td><td>2.20</td><td>3.23</td><td>3.23</td><td>1.85</td><td>1.85</td></tr><tr><td>East Quay-III</td><td>General/Break Bulk Cargo</td><td>2.20</td><td>3.23</td><td>3.23</td><td>4.48</td><td>4.48</td></tr><tr><td>South Quay</td><td>General/Break Bulk Cargo</td><td>6.00</td><td>6.01</td><td>4.76</td><td>3.85</td><td>3.85</td></tr><tr><td>Central Quay-I</td><td>General/Break Bulk Cargo</td><td>6.30</td><td>7.30</td><td>6.05</td><td>3.68</td><td>3.68</td></tr><tr><td>Central Quay-II</td><td>General/Break Bulk Cargo</td><td>6.30</td><td>7.30</td><td>6.05</td><td>5.48</td><td>5.48</td></tr><tr><td>Central Quay-III</td><td>General/Break Bulk Cargo</td><td>15.70</td><td>6.55</td><td>6.55</td><td>6.55</td><td>6.55</td></tr><tr><td>Multi purpose Berth</td><td>General/Break Bulk Cargo</td><td>5.70</td><td>4.70</td><td>3.45</td><td>2.60</td><td>2.60</td></tr><tr><td>Coal Berth-I</td><td>Thermal Coal</td><td>14.40</td><td>16.00</td><td>10.50</td><td>10.50</td><td>10.50</td></tr><tr><td>Coal Berth-II</td><td>Thermal Coal</td><td>14.40</td><td>16.00</td><td>10.50</td><td>10.50</td><td>10.50</td></tr><tr><td>Fertilizer Berth-I</td><td>Fertilizer/ Fert Raw Mat.</td><td>2.90</td><td>3.97</td><td>3.47</td><td>3.47</td><td>3.47</td></tr><tr><td>Fertilizer Berth-II</td><td>Fertilizer/ Fert Raw Mat.</td><td>4.60</td><td>4.03</td><td>4.03</td><td>4.03</td><td>4.03</td></tr><tr><td>RO-RO Jetty</td><td>P.Cargo</td><td>1.00</td><td>1.00</td><td>1.00</td><td>1.00</td><td>1.00</td></tr><tr><td colspan="2">Total</td><td>163.60</td><td>143.44</td><td>126.94</td><td>118.50</td><td>108.50</td></tr></table>	Berth No.	Types of commodities	As on 30.10.17 (Re-rated Capacity)	As on 31.3.17	As on 31.3.16	As on 31.3.15	As on 31.3.14	Oil Jetty	P.O.L	8.60	17.50	17.50	17.50	7.50	Single Point Mooring-I, II & III	Crude Oil	60.20	37.00	37.00	37.00	37.00	Iron Ore Berth	Iron Ore	10.90	6.39	6.39	4.50	4.50	East Quay-I	General /Break Bulk Cargo	2.20	3.23	3.23	1.51	1.51	East Quay-II	General/Break Bulk Cargo	2.20	3.23	3.23	1.85	1.85	East Quay-III	General/Break Bulk Cargo	2.20	3.23	3.23	4.48	4.48	South Quay	General/Break Bulk Cargo	6.00	6.01	4.76	3.85	3.85	Central Quay-I	General/Break Bulk Cargo	6.30	7.30	6.05	3.68	3.68	Central Quay-II	General/Break Bulk Cargo	6.30	7.30	6.05	5.48	5.48	Central Quay-III	General/Break Bulk Cargo	15.70	6.55	6.55	6.55	6.55	Multi purpose Berth	General/Break Bulk Cargo	5.70	4.70	3.45	2.60	2.60	Coal Berth-I	Thermal Coal	14.40	16.00	10.50	10.50	10.50	Coal Berth-II	Thermal Coal	14.40	16.00	10.50	10.50	10.50	Fertilizer Berth-I	Fertilizer/ Fert Raw Mat.	2.90	3.97	3.47	3.47	3.47	Fertilizer Berth-II	Fertilizer/ Fert Raw Mat.	4.60	4.03	4.03	4.03	4.03	RO-RO Jetty	P.Cargo	1.00	1.00	1.00	1.00	1.00	Total		163.60	143.44	126.94	118.50	108.50				
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		TOTAL (Rounded up)	164.00	143.00	127.00	119.00	109.00
(g).	Scale of Rates The PPT to furnish a full-fledged Scale of Rates incorporating the various aspects covered by the Berthing Policy alongwith the note and conditinalities.	As the matter involves consolidation and detailed submission in the matter to the Authority, the same will be submitted separately. However, in the meanwhile, the Authority may kindly approve the extant Policy submitted by PPT after taking the views of concerned users in the joint hearing.					

5.2. While furnishing the information / clarification sought by us, the PPT has informed that introduction of the extant productivity linked penalty and incentive scheme at PPT based on the General Policy Guidelines of the MoS has led to overall increase in number of ship handling, average shipday productivity, overall throughput (102.01 MMT in FY 2017-18) at the conventional berths, at Mechanized Coal Handling Plant (MCHP) and Iron Ore handling Plant (IOHP) as well as captive berths / liquid handling berths including SPM. The details of the same as furnished by PPT is given below:

	2014-2015			2015-2016				2016-2017				2017-2018			
Group	No of ships	Cargo (MMT)	Avg shipday productivity (MT)	No of ships	Cargo (MMT)	Avg shipday productivity (MT)	% var. Over previous year	No of ships	Cargo (MMT)	Avg shipday productivity (MT)	% var. Over previous year	No of ships	Cargo (MMT)	Avg shipday productivity (MT)	% Var. Over previous year
MCHP(CB-1 & 2)	387	21.305	32360	416	23.70	39753	23%	331	19.70	52843	33%	368	22.13	46754	-12%
CONVENTIONAL BERTHS	559	23.271	9376	584	23.23	11130	19%	664	28.52	12908	16%	739	30.84	13091	1%
IOB	3	0.072	9979	2	0.07	11817	18%	70	3.56	19068	61%	99	4.75	22213	16%
OTHERS(I NCL SPM)	451	24.975	32105	519	29.11	31957	0%	515	36.81	38152	19%	632	44.33	41418	9%
Grand Total	1400	69.623	17736	1521	76.11	21139	19%	1580	88.59	23727	12%	1838	102.04	24810	5%

5.3. This has also reported to have brought down the overall TRT and PBD of ships at the Port. Despite reduction in capacity of conventional berths due to phased removal of 3 HMCs during 2017 - 18 (loss of 6.0 MMT of capacity), the Port capacity has been re-rated in 2017-18 to 164 MMT compared to the capacity of 127 MMT as in 2016 - 17. In view of this, the PPT has requested to consider the clarifications and the Policy led productivity as well as penalty and incentive scheme thereof which has been approved by the Board.

6.1. Further, on scrutiny of PPT's response to the comments of the users organizations as well as the additional information furnished by the Port, it was found that certain additional information / clarification are required from PPT on a few points. Accordingly, the additional information/ clarification was sought from PPT vide our letter dated 28 June 2018. In this regard, the PPT has responded vide its email dated 24 August 2018. The information/ clarification sought by us and response of PPT thereon are tabulated below:

Sl. No.	Information/ clarification sought by us	Reply of PPT
(i).	The Berthing Policy for Dry Bulk Cargo prescribes 18 cycles/ moves per hour for Full load operations and 12 cycles/ moves per hour for Partial load operations for all dry bulk cargo handled with Ship Gear as one of the parameters for determination of Dry Bulk unloading performance norms. Similarly, in case of HMCs, 30	a) At the outset, it is submitted that the Berthing Policy covering the General guidelines of determining productivity under different crane combination for dry bulk cargo was circulated by the Ministry of Shipping in June, 2016. b) As already informed earlier, prior to above, PPT took the initiative for improving its own Efficiency Parameters by adopting a general policy for fixing productivity norms under different crane combinations in May, 2015. Many such points are

In Case of Ship Cranes, the PPT has considered 15 average crane cycles per hour for all the commodities (except for Pig Iron) without distinguishing the vessel size in terms of Panamax Supramax and Handysize. In respect of Pig Iron, 12 average crane cycles has been considered. With regard to HMC operations, the port has considered 30 crane cycles per hour in respect of all types of coal and coke as prescribed in the Berthing Policy for full load. However, in respect of Lime stone/ Dolomite, Gypsum, Oliflux, Iron ore and HB Iron, the port has considered 24 crane cycles per hour (60 min / 2.5 min per cycle) without distinguishing the vessel size in terms of Panamax, Supramax and Handysize vessels. In this regard, the PPT to substantiate the number of crane cycles per hour considered in the proposal with reference to the actual average number of crane cycles per hour achieved during the year 2017-18 with Harbour Mobile Crane and Ship cranes separately for each of the commodities.

PPT while doing so considered it prudent that the working the grabs in half/partial load conditions on different ships (ranging from 30 to 45 %) would be a futile/ineffective movement of HMC/Ship's grabs and the same would have to be converted to full load operations in all cases with availability of suitable mechanical equipment like Pay Loader inside the ship's hold to collect cargo from hatch coamings for grabs so that the grabs would operate in full load condition rather than in half/partial load conditions. While doing so, as already explained earlier to TAMP, PPT had averaged the hook cycle time in all crane combinations.

- (i). For ship cranes 4 minutes was taken per cycle (3 minutes in full load conditions per cycle for top cargo + 5 minutes in full load conditions per cycle for bottom cargo) leading to average of 15 full load cycles per hour instead of Berthing Policy consideration of 18 cycles per hour in full load condition and 12 cycles per hour in half load condition.
- (ii). Similarly, for HMC, instead of 30 cycles in full load conditions and 20 cycles per hour in partial load conditions, as considered in the Berthing Policy, PPT considered 30 cycles in all full load conditions for cargo like Coking Coal, Non-Coking Coal, Steam Coal etc. and 24 cycles for cargo like Lime Stone, Dolomite, Gypsum, Iron Ore etc. (where the grabs do not bite the cargo properly).
- (iii). A comparative table for the same is given below:

BERTHING POLICY						
	FULL LOAD (%)	CYCLES (IN NO.)	AVG. CYCLE TIME (IN MINS)	PARTIAL / HALF LOAD (%)	CYCLES (IN NO.)	AVG. CYCLE TIME (IN MIN)
A) HMC						
PANAMAX	70	30	2	30	30	2
SUPRAMAX	60	30	2	40	30	2
HANDYMA X	55	30	2	45	30	2
(B) Ship Crane						

PANAMAX (**)	70	18	3.33	30	12	5
SUPRAMAX	60	18	3.33	40	12	5
HANDYMAX						
X	55	18	3.33	45	12	5

PPT's Consideration				
	FULL LOAD (%)	PARTIAL / HALF LOAD (%)	CYCLES (IN NO)	AVG. CYCLE TIME (IN MIN)
(A) HMC				
PANAMAX	100	NIL	30 (*)	2
SUPRAMAX	100	NIL	30 (*)	2
HANDYMAX	100	NIL	30 (*)	2
(B) Ship Crane				
PANAMAX (**)	100	NIL	15	4
SUPRAMAX	100	NIL	15	4
HANDYMAX	100	NIL	15	4

- c) It is further informed that PPT does not keep records of crane cycle per hour (specifically in any Dry Bulk cargo) due to paucity of manpower and therefore, the parameters taken into consideration has been based out of practical experience gained over the years which has not been objected to by the users of the Port. Therefore, PPT is not in a position to substantiate the average number of crane cycles per hour achieved during the year 2017-18 as asked for by the authority. However, the performance of each category of vessel at PPT for the years 2015-16, 2016-17 & 2017-18 as actually achieved and the number of vessels worked thereof in different crane combinations is furnished as follows.

COMM GROUP	PROPOSED NORM		
	2&MORE HMC	1-HMC	SHIP CRANE
COKING & A COAL	22000	15000	14000
NC COAL/S COAL/T COAL	22000	15000	14000
L STONE/DOLOMITE	17400	14000	12000
GYPSUM	17400	14000	12000
OLIFLUX	17400	14000	12000
IRONORE	27000	18000	15000
PIG IRON	22000	15000	13000
COKE	15000	12000	10000
ALL OTHER DRY BULK CARGO	22000	15000	13000

2015-16	2&MORE HMC		1-HMC		SHIP CRANE		VARIANCE (%)		
	NO OF VSL	PROD	NO OF VSL	PROD	NO OF VSL	PROD	2&MO RE HMC	1-HMC	SHIP CRANE
COKING & A COAL	72	14270	59	12778	58	8929	-35.13	-14.81	-36.22
NC COAL/S COAL/T COAL	59	14434	29	11510	57	10260	-34.39	-23.26	-26.71
L STONE/ DOLOMITE	3	12000	21	9680	85	10132	-31.04	-30.86	-15.56
GYPSUM	1	7493	5	8822	7	8851	-56.94	-36.98	-26.24
OLIFLUX					4	15083			25.69
IRONORE			10	11477	7	9545		-36.24	-36.37
PIG IRON					4	10127			-22.10
COKE	1	9441	14	7639	23	8318	-37.06	-36.34	-16.82
ALL OTHER DRY BULK CARGO	6	12163	6	11760	35	8623	-44.71	-21.60	-49.06

2016-17	2&MORE HMC		1-HMC		SHIP CRANE		VARIANCE (%)		
	NO OF VSL	PROD	NO OF VSL	PROD	NO OF VSL	PROD	2&MO RE HMC	1-HMC	SHIP CRANE

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(ii).	The PPT has arrived at the Performance norm in respect of 11 dry bulk cargo items by considering the parameters viz., Density of the commodity, Grab size, Grab picking factor, cycle time of cranes as per the methodology prescribed in the Berthing Policy, 2016. However, subsequently the PPT has re-grouped the dry bulk commodities into five (5) broad cargo groups viz. (1). Coal, (2). Flux, (3). Coke, (4). Iron Ore/ Pellet and (5) Other Dry bulk cargo and proposed lower productivity levels on the ground that the productivity norms and incentive scheme should not turn unattractive to trade and also keeping in view the various concerns expressed by the various stake holders, existing infrastructure and other factor like competition from the other ports. It is observed that there is a vast negative variation (except for Non coking Coal / S. Coal / T. Coal, gypsum, Coke and all other dry bulk cargo when handled by one HMC or ship	The PPT has requested to look into the productivity considerations at Clause-4.1.3(v) as well as in Annexure-1 (Clause A.1.5) of Policy Guidelines. From the same, it can be seen that excluding 2 HMC combination of productivity vis-a-vis the productivity finally proposed by PPT; for one HMC or ship crane working the proposed productivity norms by PPT is more than the proposed policy productivity norms. In case of two HMCs combinations for working on different types of geared or gearless vessels at PPT, it has been experienced that due to various infrastructural as well as operational constraints, 2 or more HMCs cannot simultaneously work for the entire period for ship's stay at berth, which leads to idle time of HMC; particularly to maintain the stability of the vessel to keep her even keel prior to sailing with part load cargo for Haldia Dock Complex (HDC), KoPT. Incidentally, around 60% of the dry bulk ships carrying Coking Coal, Non-coking Coal, Lime Stone, Dolomite, Gypsum etc. on account of major customers have to proceed to HDC, KoPT for final cargo discharge at HDC. Therefore, the productivity norm by two or more HMC combinations have taken for working of approximately 70% available time for two HMCs and hence PPT proposed a lower productivity for such in comparison to the Berthing Policy productivity norms. A comparative chart of Berthing Policy productivity norms and PPT's final submission of productivity norms (under fair weather condition) furnished by PPT is given below and the same was agreed by the																																																																																																																																																																																																								

cranes) between the performance norms arrived by PPT as per the methodology prescribed in Berthing Policy, 2016, vis-à-vis productivity levels proposed by the port as given below:

Commodity	As per PPT Calculations based on Berthing Policy 2016			Productivity Levels proposed by PPT for Fair Season		
	2 Nos. HMCs or above	1 No. HMC	Ship Cranes	2 Nos. HMCs Or above	1 No. HMC	Ship Cranes
Coking & A.Coal	35770	7885	12246	22000	5000	14000
N.C. Coal/ S.Coal/ T.Coal	27820	3910	9526	22000	5000	14000
L.Stone/ Dolomite	29674	4837	12702	17400	4000	12000
Gypsum	27556	3778	11793	17400	4000	12000
Oilflux	36034	8017	15423	17400	4000	12000
Iron Ore	47692	23846	32658	27000	8000	15000
Pig Iron	34500	17250	17136	22000	5000	13000
HB Iron	50872	25436	21774	22000	5000	13000
Coke	23846	1923	8166	15000	2000	10000
All other dry bulk cargo	26000	3000	10000	22000	5000	13000
Project Cargo	--	3000	2000	-	-	-

Commodity	Percentage Variation		
	2 Nos. HMCs or above	1 No. HMC	Ship Cranes
Coking & A.Coal	-38.50	-16.13	14.32
N.C. Coal/ S.Coal/ T.Coal	-20.92	7.84	46.97
L.Stone/ Dolomite	-41.36	-5.64	-5.53
Gypsum	-36.86	1.61	1.76
Oilflux	-51.71	-22.30	-22.19
Iron Ore	-43.39	-24.52	-54.07
Pig Iron	-36.23	-13.04	-24.14
HB Iron	-56.75	-41.03	-40.30
Coke	-37.10	0.65	22.46
All other dry bulk cargo	-15.38	15.38	30.00
Project Cargo			

From the above, it can be seen that the productivity levels as proposed by PPT are significantly lower (ranging from 5% to 57%) when compared to the productivity calculated by PPT based on Berthing Policy, 2016.

In this context, it is noteworthy that in the Order no. TAMP/19/2018-KOPT dated 8 June 2018 passed by the Authority disposing of the proposal received from Kolkata Port Trust (KOPT) seeking approval for the performance norm based incentive / penalty for conventional berths using ship's gears, and anchorage charge in respect of dry bulk cargo handled at Haldia Dock Complex (HDC), the Authority

Port Users/ has the approval of PPT's Board duly represented by the Ministry of Shipping (MoS).

The Authority's advice to PPT to consider the norms approved by it for KoPT to keep the same at a certain level of percentage of theoretically arrived productivity as per Berthing Policy has been perused. In this regard, it is the view of PPT that while PPT has to trim nearly 60% of the cargo vessels to maintain the even keel position of the ship to safely proceed for discharge at HDC of KoPT, which in fact entails idle time of crane working at PPT to maintain the stability of the vessel, HDC, KoPT does not operate under such conditions of playing a complementary role to another Major Port. Moreso, the quantum of dry bulk cargo handled by PPT vis-a-vis the storage area and availability of railway rakes for evacuation of cargo from the Port greatly varies than the infrastructure/storage area, availability of rakes at HDC, KoPT. It may be added further that the users at Paradip Port, has been harping on the slower rate of evacuation from the berth to the storage area affecting the desired level of productivity primarily because PPT is experiencing short supply of railway rakes by the Indian Railways Authority for commensurate evacuation of the cargo from the available storage area for almost more than one year. The situation at HDC, KoPT is not the same as at Paradip in this regard.

CARGO	BCG	PPT	% COMPARISON	BCG	PPT	% COMPARISON
	2X 100 MT HMC	2 OR MORE 100 MT HMC		1X 100 MT HMC	1 X 100MT HMC	
COAL	30,000	22,000	73.33	15,000	15,000	100
FERTILISER	23000	NA	NA	11,500	NA	NA
SALT	28,000	NA	NA	14,000	NA	NA
FOOD GRAIN, KAOLIN	17,000	NA	NA	8,500	NA	NA
LORE	35,000	27,000	77.14	17,500	18,000	102.86
GYPSUM,MILL SCALE etc.	26,000	17,400	66.92	13,000	14,000	107.69
DOLOMITE	21,000	17,400	82.86	10,500	15,000	142.86
ALL OTHER DRY	Not Proposed	22,000	NA	Not Proposed	15,000	NA

CARGO	BCG	PPT	% COMPARISON
	4 X 12 CBM SHIP CRANE	4 X 12 CBM SHIP CRANE	
COAL	12,000	14,000	116.67
FERTILISER	10,000	NA	NA
SALT	12,000	NA	NA
FOOD GRAIN, KAOLIN	8,000	NA	NA
LORE	16,000	15,000	93.75
GYPSUM,MILL SCALE etc.	12,000	12,000	100
DOLOMITE	8,000	12,000	150
ALL OTHER DRY	Not Proposed	13,000	NA

	has based on the proposal received from KOPT approved the prescription of Benchmark Productivity for the dry bulk commodities at 85% of the Performance norms arrived based on the methodology prescribed in the Berthing Policy, 2016, considering the submission made by the (KOPT) and keeping in view of Clause 7.3 of the Berthing Policy, which gives leverage to the Chairman of the Port in consultation with Board of Trustees of the Port to relax the Performance norms in the event more than 70% of ships cannot meet the norms. In other words, HDC which has reported to have draft constraints has considered a cushion of 15% on the productivity level as arrived based on Berthing Policy as against a cushion of ranging from 5% to 57% considered by port like PPT, which is not worse than HDC in terms of draft conditions. In view of the above, the PPT to explain the reason as to why the Performance norm based Incentive/ Penalty at the level of 85% of the performance norms as arrived as per the Berthing Policy, 2016, be prescribed for PPT also in line with KOPT.	
(iii).	The Port to also furnish the actual data for the past 3 years in respect of each of the parameters considered, to substantiate the variance as brought out above.	The details have been furnished at point (i) above.

7.1. A joint hearing in the case in reference was held on 24 April 2018 at the PPT premises. At the joint hearing, the PPT has made a brief power point presentation of its proposal. The PPT and the users have made their submissions.

7.2. During the joint hearing, one of the users viz. Poompuhar Shipping Corporation has requested PPT to incorporate some change in its proposal scale of rates with regard to loading clearance time for vessels working at CB1 and CB2 and has also requested the port to consider non levy of penalties in the event of delays occurring due to weather conditions and shore delay. Accordingly, the PPT was requested vide our letter dated 9 May 2018 to examine this aspect.

7.3. In this regard, the PPT while furnishing its comments to the comments of users / user organizations has reviewed its proposal and has increased the time for loading clearance of coastal vessel from 30 minutes to 45 minutes in respect of CB1 and CB2, IOB(Coal) berth and IOB (Iron Ore Pellets) berth.

8. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website <http://tariffauthority.gov.in>.

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

- (i). The Ministry of Shipping (MOS) in June 2016 has issued the Berthing Policy for Dry Bulk Cargo for Major Ports, and has directed all the Major Port Trusts to implement the norms with incentives and penalties. The policy lays down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports. The Policy also lays down penalties and incentive structures to be instituted by all major ports based on the performance norms calculated. The Policy requires all major ports to adapt these guidelines for their own specific ports and institute penalties and incentives tied to the performance norms as part of the overall berthing policy. The Policy also describes a method for re-rating capacity of berths as well as guidelines for levying anchorage charges to reduce turn-around time.
- (ii). In this backdrop, the Paradip Port Trust (PPT) has come up with a proposal in December 2017 seeking approval for the Performance norm based Incentive/ Penalty, in respect of handling Dry Bulk Cargo by Ship's cranes and Harbour Mobile Cranes (HMCs) at PPT. The said proposal alongwith the information/ clarification furnished by the PPT has been considered in this analysis.
- (iii). The PPT in its proposal has brought out that prior to the MOS coming up with the Berthing Policy in the year 2016, it had undertaken a detailed exercise for fixation of ship day productivity norms considering various factors like Bulk Density of the commodity, Grab size, Picking factor, hook cycles per hour for different types of cranes in the year 2015. The ship day productivity so derived by PPT was discussed by it with the various stakeholders. However, considering the concerns expressed by the various stake holders and also considering other factors viz. existing Port infrastructure, competition from the other ports etc., the PPT has reviewed its proposal and forwarded the same to this Authority for its approval. The proposal of the port has the approval of its Board of Trustees.
- (iv). As brought out above, the Berthing Policy is with regard to handling of dry bulk cargo. The Berthing Policy indicates Performance norms in respect of some of the dry bulk cargo items viz., Coal, Fertilizer (DAP + Urea), Salt, Food grain/ Kaolin, Iron Ore/ Mill Scale, Other Minerals and Dolomite. The PPT has proposed performance norms in respect of 5 cargo items viz. Coal, Flux, Coke, Iron Ore/ Iron Ore Pellets and Other Dry Bulk Cargo, considering the dry bulk cargo handled at the PPT. Fertilizer (DAP + Urea), Salt, Food Grain/ Kaolin are reported to be not handled at the Port. Further, considering that other dry bulk cargo items are handled at the port, the PPT has envisaged to prescribe performance norms for 'Other Dry Bulk' instead of 'Other Minerals', as envisaged in the Policy. Also, considering that PPT actually handles Dolomite and many other minerals like Lime Stone, Pyroxenite and Oliflux for use as Fluxes in Steel Industries, it has considered 'Flux' as a category, in place of 'Dolomite' as prescribed in the Policy. The judgment of the port in this regard is relied upon.
- (v). (a). Further, while the Berthing Policy indicates consideration of 3 categories of vessels i.e. Panamax, Supramax and Handysize Vessels for the indicated dry bulk cargo items, the PPT is seen to have categorized the vessels as 'geared vessels' and 'gearless vessels'. Also, the port has proposed separate performance norms under three different scenarios viz. Handling of gearless/ geared vessel with deployment of 2 nos. of Harbour Mobile Cranes (HMCs) or above, Handling of gearless/ geared

vessel with deployment of 1 HMC and Handling of geared vessels with ship cranes, for each of the above listed cargo items. The PPT is also seen to have proposed separate performance norms for the fair season and monsoon season (8% reduction over the productivity of fair season) for each of cargo items and under each of the 3 scenarios as given above.

- (b). With regard to categorization of vessel as geared or gearless vessels, the PPT is of the view that in case of Conventional Handling, the size of the Vessel being Panamax/ Supramax/ Handymax has less relevance, as the productivity depends on whether the Ship's own cranes or shore based HMCs are deployed to handle the cargo. Thus, categorization of vessel as geared vessel (which uses ship's own cranes) or gearless vessels (which uses shore based HMCs) is reported to be appropriate by PPT.
- (c). Further, the performance of a vessel is reported to be dependent on number of ship cranes/ HMCs, that are deployed to handle the cargo. Thus, the PPT has considered handling of cargo in three scenarios viz.
 - Handling of gearless/ geared vessel with deployment of 2 nos. of HMCs or above.
 - Handling of gearless/ geared vessel with deployment of 1 HMC.
 - Handling of geared vessels with ship cranes.

The above said scenarios are reported to be in line with the deployment pattern as prevalent in PPT.

- (d). With regard to having different performance norms during 'Fair Season' and 'Monsoon season', the PPT has strongly opined that in case of conventional handling of cargo, while all other conditions remaining the same, productivity of a vessel during 'Monsoon season' (June to September) will be lower than the 'Fair Season' (October to May). Frequent heavy showers intermittently stopping cargo operations and slower evacuation of cargo from the wharf to the yard during the monsoon season is reported to be lowering the productivity of a vessel during the monsoon season. As per the details of the productivity during the fair season and monsoon season during the year 2017-18, it is seen that on an average, the productivity during the monsoon season is lower by 6% as compared to the fair season incase of geared vessels and that the productivity during the monsoon season is lower by 22% as compared to the fair season incase of gearless vessels.
- (e). In view of the justification given by the port as detailed in the preceding paragraphs and considering that the users have not objected to the said arrangement and also since the proposal has the approval of its Board of Trustees, the proposal of the Port towards categorization of the vessels as 'geared vessels' and 'gearless vessels' and having separate performance norms for the fair season and monsoon season, are considered.
- (vi). (a). The Berthing Policy requires calculation of performance norms for each of the dry bulk cargo taking into account the various parameters viz., Density of the commodity, Grab size, Grab picking factor for full/ partial cargo operation, deployment of Ship cranes/ derricks cycle per hour for a Full/ Partial load operation.
- (b). Incase of PPT, as brought out earlier, prior to the implementation of Berthing Policy in the year 2016, the port had undertaken a detailed exercise for fixation of ship day productivity norms considering various factors like Bulk Density of the commodity, Grab size, Picking factor, hook cycles per hour for different types of cranes in the year 2015. However, when the ship day productivity so derived by PPT was discussed by it with the various stakeholders, the PPT has reduced the productivity of the

cargo items based on the concerns expressed by the various stake holders and also considering other factors viz. existing infrastructure, competition from the other ports etc. The productivity, so reduced by PPT in consultation with the users, has not been derived by the port by applying the various parameters as stipulated in the Berthing Policy, but is reported to have been prescribed taking into account the prevailing actual productivity for the various cargo items and in consultation with users in such a manner that it does not turn unattractive to the trade.

- (c). A comparative position of the indicative norm as given in the Berthing Policy, actual productivity achieved by the PPT during the year 2017-18 and the productivity proposed by the PPT for each of the commodity, for being handled by 4 no. of Ship cranes, 1 no. of HMC and by 2 or more no. of HMCs conventionally is tabulated below:

Commodity	Indicative performance norms as per Berthing Policy, 2016			Actual Productivity during 2017-18 as given by PPT for Fair Season			Productivity Levels proposed by PPT for Fair Season		
	2 Nos. HMCs or above	1 No. HMC	Ship Cranes	2 Nos. HMCs or above	1 No. HMC	Ship Cranes	2 Nos. HMCs or above	1 No. HMC	Ship Cranes
Coking & A. Coal	30000	15000	12000	16288	11483	9906	22000	15000	14000
N.C. Coal/ S. Coal/ T. Coal	30000	15000	12000	16369	12096	10363	22000	15000	14000
Limestone/ Dolomite	21000	10500	8000	14762	11466	11473	17400	14000	12000
Gypsum	26000	13000	12000	13582	11609	9861	17400	14000	12000
Oliflux	-	-	-	25942	--	12512	17400	14000	12000
Iron Ore	35000	17500	16000	16438	13962	11712	27000	18000	15000
Pig Iron	--	--	--	--	5716	8922	22000	15000	13000
HB Iron	--	--	--	--	--	--	22000	15000	13000
Coke	--	--	-	12942	9264	6813	15000	12000	10000
All other dry bulk cargo	--	--	--	15779	10708	7438	22000	15000	13000

- (d). From the above table, it is seen that overall, the productivity as proposed by the port for handling the cargo with 4 no. of Ship cranes, 1 no. of HMC and by 2 or more no. of HMCs, is higher than the actual productivity achieved at the PPT during the year 2017-18 correspondingly for all the commodities except for Oliflux being handled by 2 or more no. of HMCs. Incase of Oliflux, as against the actual productivity of 25942 tonnes per day for being handled by 2 or more no. of HMCs, the PPT has proposed a corresponding productivity of only 17400 tonnes per day.
- (e). Further, as against the indicative performance norms of 30000 tonnes per day for coal, 21000 tonnes per day for Limestone/ Dolomite, 26000 tonnes per day for Gypsum and 35000 tonnes per day for Iron ore, for being handled by 2 no. of HMCs, as prescribed in the Berthing Policy, the PPT has proposed a lower productivity (17% to 33% reduction) for handling of these commodities by 2 or more HMCs.
- (f). Incase of Olifux, the actual handling rate is reported to be based on the productivity achieved by a single vessel during the year 2017-18. The PPT has not felt it appropriate to generalize the actual handling rate considering the single instance.

With regard to lower productivity in respect of vessels handled by 2 or more no. of HMCs, the PPT has stated that due to various infrastructural as well as operational constraints, 2 or more HMCs cannot simultaneously

work for the entire period for ship's stay at berth, leading to an idle time of HMC. At the same time, considering that the dry bulk ships carrying Coking Coal, Non-coking Coal, Lime Stone, Dolomite, Gypsum etc., have to timely proceed to Kolkata Port Trust (KOPT) for final discharge of cargo, deployment of 2 or more HMCs becomes inevitable at PPT.

Further, with regard to lower productivity of Iron ore, the port has stated that considering there is sizeable difference in the hook cycle time for full load (top cargo) and partial load (bottom cargo), the port has reported to have considered average cycle time of 4 minutes, which turns into 15 cycles per hour as against the 18 cycles per hour for full load and 12 cycles per hours for partial load as indicated in the Berthing Policy 2016.

- (g). Clause 4.1.3 (c) directs the ports to ensure that the berth productivity is not reduced because of inefficiency of the ship cranes. However, at the same time, Clause 7.2 of the Policy regarding rolling out of Performance Norms encourages ports to roll out performance norms in a phased manner during the first year to reach the target levels. The ports are required to review the performance norms every quarter in the first year until target norms are achieved.
- (h). In this regard, it is to state that the port has already started implementing the proposed performance norms since January 2017, well before the submission of proposal to this Authority in December 2017. The first year period is already over and the PPT continues to implement the proposed provisions even during the second year of implementation.
- (i). Considering the above position and taking cognizance of the operational constraints as brought out by the PPT and also considering that the productivity norms proposed by the Port is more than the productivity achieved by the port and based on the approval of the Board of Trustees of the port, the performance norms as proposed by the Port for the various dry bulk cargo items are approved.
- (j). In this connection, reference is also drawn to the proposal received from Kolkata Port Trust (KOPT) seeking approval of Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at Haldia Dock Complex at KOPT. In the said case, this Authority while disposing the proposal of KOPT vide its Order no. TAMP/59/2016-KOPT dated 4 January 2017 had acceded to the request of the KOPT and had approved the productivity of the dry bulk cargo items at 75% of the productivity level as arrived based on the parameters as indicated in the Berthing Policy.
- (k). The productivity during monsoon season is proposed at about 8% lower than the productivity proposed for the fair season. For the reasons as brought out earlier the proposal of PPT to have lower productivity during monsoon season as compared to the fair season, is approved.
- (vii). Though the Berthing Policy governs the performance norms of only dry bulk cargo, the port has proposed productivity for some break bulk cargo items viz., HR Coil and other unit weight more than 5T, Other Steel cargo (plate, Bar, Billet) Break Bulk unit weigh 5T or less and project cargo at 6000 tonnes per day, 2000 tonnes per day and 1000 tonnes per day respectively, for levy of penalty/ incentive for handling of break bulk cargo at conventional berths, to enhance the overall performance of the port.

In this regard, it is relevant here to mention that notwithstanding the fact that the berthing policy is applicable for dry bulk cargo, this Authority has prescribed performance norms for other cargo groups viz. liquid cargo etc. based on the

proposal received from Cochin Port Trusts on the ground that the prescription of the performance norm based incentive/ penalty scheme would be beneficial to the port by way of increase in the productivity and the reduction of Turn Round Time (TRT) of vessels, thereby leading to effective utilization of the infrastructure of the Port and improvement in the traffic handling at Major Port Trusts.

Based on the above position even though the basis for arriving at productivity for break bulk cargo and project cargo remains unexplained, this Authority is inclined to approve the performance norms as proposed by the Port in respect of various break bulk cargo items as brought out above.

- (viii). The Berthing Policy stipulates considering the stayal time of the vessel at the berth to determine the quantum of levy of penalty/ incentive in the event of non-achievement/ achievement of the performance norms. As per Clause 8.2 of the Berthing Policy, in case where actual Berth stay is more than 5% higher than the stipulated time, the number of additional hours spent at berth will be penalized at 3 times the berth hire charges and incase where actual Berth stay is 5% lower than the stipulated time, the number of additional hours saved will be incentivized at 1 time the berth hire charges

In the case of PPT, as against linking of the levy of penalty or grant of incentive in the event of non-achievement or achievement of the performance norms with berth hire as discussed above, the PPT has proposed a fixed amount of ₹ 3500/- per hour or part thereof towards penalty and a fixed amount of ₹ 3500/- per hour or part thereof towards incentive.

In this regard the PPT has stated that the berth hire charges for an hour at a conventional berth for a foreign vessel works out to ₹.6340.62, ₹.4824.27 and ₹.4017.00 for a panamax, supramax and Handymax vessels respectively. Considering that the productivity remains the same for different size of the vessels, the PPT finds it unfair to levy higher penalty on larger vessels and lower penalty on smaller vessels, in the event the penalty/ incentive is linked to berth hire charges. Further, the users are also reported to have requested the port to moderate the penal charges. Also, the port has categorically stated that it does not look upon recovery of penalty as a source of revenue to the port. Rather, the port wishes to levy the penal charges only with the intention of bringing some discipline amongst the users.

Based on the reasoning furnished by the Port and since the proposal of the port has the approval of the Board of Trustees of PPT, this Authority is inclined to approve the penalty/ incentive at a fixed sum of ₹ 3500/- per hour or part thereof as proposed by Port, without linking it to berth hire charges.

The note relating to grant of incentive/ levy of penalty is prescribed by the port as 'Penalty will be levied at ₹3500/- per hour or part thereof of stay at berth beyond stipulated completion time and incentive of ₹3500/- per hour or part thereof will be given as incentive for early completion before stipulated completion time. As the Berthing Policy stipulates that both incentive and penalty should be linked with the stay of vessel at berth and not with respect to completion of the vessel, the said note is proposed to be modified as follows to avoid ambiguity:

"The penalty of ₹ 3500.00 per hour or part thereof will be levied for the stay of vessel at berth higher than the stipulated time of stay of vessel at berth and incentive of ₹ 3500.00 per hour or part thereof for the stay of vessel at berth lower than the stipulated time of stay of vessel at berth."

- (ix). In view of the modification of the note as given above, another note as proposed by the port to the effect that 'Steamer Agents/ Stevedores to calculate the time allowed for completion of total discharge / loading of cargo based on the aforesaid productivity norms and the same to be clearly mentioned in the vessel planning

form. For Example, a Handymax geared vessel carrying 59830T of Coking Coal, the time allowed is $59830T/14000T = 4.27 \text{ days} \times 24 = 102.57 \text{ hrs.}$ i.e. 103 hrs.' is modified as follows:

“The stipulated time of stay of vessel shall be calculated based on the total cargo discharged/ loaded from the vessel during the stay at berth and the performance norm prescribed for the commodity. For example, a vessel carrying 59,830 tonnes of coking coal, the stipulated time of stay of vessel will be 103 hours i.e. $59830 \text{ tonnes} \div 14000 \text{ tonnes per day} \times 24 \text{ hours} = 102.56 \text{ hrs} = 103 \text{ hours.}$ ”

- (x). The note relating to exclusion of time due to stoppage of operation on account of port-related or weather- related issues from actual time of stay of vessel as proposed by the port is modified as follows, in line with the stipulation contained at Clause 8.4 of the Berthing Policy:

“ The period for which the vessel operation is affected due to the following limited port-related or weather- related issues will be deducted from the actual time of stay of vessel at berth for arriving the incentive/ penalty scheme for handling Dry and Break Bulk cargo at conventional berths :

- (i). Break down/ non-availability of cranes to be provided by Port at berth.*
- (ii). Rain and inclement weather as indicated in the Statement of Facts (SOF)*
- (iii). Foreign materials due to manual shifting of cargo to Mechanical Coal Handling Plant (MCHP)*
- (iv). Shifting of vessel on account of Port.*
- (v). Any delays in sailing post vessel readiness to sail on account of Port. i.e. Pilot/ tug unavailability, and tidal conditions.*
- vi). The time lost due to stoppage of work for any reasons other than the above (i). to (v). to be excluded for calculation of performance norms, only with the approval of the Board. “*

- (xi). The other notes as proposed by the Port relating to submission of 'Vessel Planning', Engagement of Harbour Mobile cranes (HMC) in the event of not engagement of ship or any ship cranes, Engagement of HMC to supplement the vessel gears, Usage of 2 HMCs, Right of shift of vessel to anchorages, Non-applicability of incentive/ penalty in respect of vessels operating at CQ-3 and IOB manually, Review of performance norms on quarterly basis and Levy/ grant of penalty/ Incentive to Steamer agents for the cargo loading operations at mechanical berths i.e. CB 1, CB 2 and IOB, as proposed by PPT would be essential in effective implementation of the Berthing Policy at PPT and hence is approved.

- (xii). The Berthing Policy also prescribes methodology for calculation of performance norms for mechanized loading of dry bulk cargo. Clause 4.2.4 of the policy prescribes berth-day productivities for Mechanized coal loading for different vessels viz., Panamax, Supramax and Handymax vessels and advised all Major Ports to use the prescribed methodology to calculate performance norms for dry bulk. In accordance with the Berthing policy, the port has proposed to prescribe the following incentive/ penalty scheme –

- (a). Performance/ Incentive / penalty norms for handling of vessels at mechanized coal berths (CB 1 & 2).
- (b). Performance/ Incentive / penalty norms for loading of coal cargo onto the vessels at mechanized Iron berth (IOB).
- (c). Performance/ Incentive / penalty norms for loading of Iron ore onto the vessels at mechanized Iron berth (IOB) and
- (d). Performance/ Incentive / penalty norms for loading of Iron ore pellets onto the vessels at mechanized Iron berth (IOB).

The performance norms for clearance and loading for each of the incentive/ penalty scheme has been proposed on being assessed by the Port based on loading clearance time, time allowed for de-ballasting, number of times to be taken for hatch changes, time allowed for draught check and time allowed for final clearance from the time of completion of loading. Performance norms for average loading rate scheme has been proposed to be assessed by the Port based on performance norms for each type of vessel. Each of these parameters is discussed in the following paragraphs.

(xiii). Clearance and Loading time:

For the levy of penalty / grant of incentive for the vessels handled at Mechanized coal berths (CB1 and CB2), Mechanized Iron Ore berth (IOB) for coal loading and Mechanized Iron Ore berth (IOB) for loading Iron ore pellets, the PPT had initially proposed 30 minutes for existing coastal vessels (already converted) and 60 minutes for foreign vessels requiring coastal conversion as a pre-commencement time towards loading clearance time (from the time of berthing (Made Fast) including initial draught survey and other documentation etc. till the loading clearance is given for the vessel).

However, subsequent to a reference made by the users, the PPT has proposed to increase the pre-commencement time towards loading clearance time from 30 minutes to 45 minutes incase of already converted coastal vessels and from 60 minutes to 70 minutes incase of foreign vessels requiring conversion.

In case of the loading of Iron ore at Mechanized Iron ore berth (IOB), the PPT has proposed 60 minutes for existing coastal vessels and 90 minutes for foreign vessels requiring coastal conversion as a pre-commencement time towards loading clearance time.

The Berthing Policy stipulates a maximum of 1 hour i.e. 60 minutes for pre-commencement activities. Since the proposal has already been implemented by the port, tinkering with the time at this stage retrospectively will cause avoidable confusion. Therefore, the timelines as proposed by PPT subsequently is approved. However, the port is advised to adhere to the timelines as stipulated in the Berthing Policy during next review.

(xiv). Time allowed for de-ballasting:

The Berthing policy has not prescribed any time norm for de-ballasting of vessels. However, the PPT has proposed an allowed time of 1 hour for de-ballasting only in respect of Handymax/ Supramax vessels working at mechanized coal berths (CB1 & CB2). As seen from Figure-2 at Para no.4.2.4 of the Berthing Policy 2016, a total time of 7 hrs and 6 hours 30 minutes have been considered as expected Non-Working Time (NWT) in respect of Supramax vessels and Handymax vessels respectively. It is presumed that the time proposed to be allowed by the PPT for de-ballasting of Handymax/ Supramax vessels working at mechanized coal berths (CB1& CB2) would get subsumed in the overall NWT prescribed in the Berthing Policy 2016.

(xv). Number of times for hatch changes:

The number of times for hatch changes considered by the PPT in the proposal in respect of the vessels handled at Mechanized coal berths (CB1 and CB2), Mechanized Iron Ore berth (IOB) for coal loading, Mechanized Iron Ore berth (IOB) for loading Iron ore pellets and loading of Iron ore at Mechanized Iron ore berth (IOB) is seen to be in line with the prescription made in Annex – 2, A2.2 of the Berthing Policy, 2016 i.e. a maximum of 2 hatch changes for hold plus one.

(xvi). Time allowed for draught check.

The PPT has considered total time of 1 hour for 2 times of draught check i.e. 30 min per draught check, in respect of the vessels handled at Mechanized coal berths (CB1 and CB2), Mechanized Iron Ore berth (IOB) for coal loading, Mechanized Iron Ore berth (IOB) for loading Iron ore pellets and loading of Iron ore at Mechanized Iron ore berth (IOB). This is seen to be in accordance with the prescription made in para A2.3 of Annex-2 of the Berthing Policy, 2016.

- (xvii). Time allowed for final clearance for time of completion of loading:

The PPT has proposed allowing of one (1) hour time for final clearance from time of completion of loading in respect of the vessels handling at Mechanized coal berths (CB1 and CB2), Mechanized Iron Ore berth (IOB) for coal loading and Mechanized Iron Ore berth (IOB) for loading Iron ore pellets. In case of the loading of Iron ore at Mechanized Iron ore berth, the PPT has proposed allowing of 30 minutes time for final clearance from time of completion of loading. The Berthing Policy stipulates a maximum of 1 hour i.e. 60 minutes for (Post Loading activities) in para A2.4 of Annex-2 of the Berthing Policy, 2016.

- (xviii). Time allowed for trimming:

In addition to the above parameters, the PPT has prescribed time allowed for trimming as 4 hours only respect of vessels working at mechanized Iron Ore Berth (IOB) for Iron ore loading. The said time period of 4 hours may get subsumed in the NWT of 8.13 hours for Panamax vessels, 7 hours for Supramax vessels and 6.50 hours for Handymax vessels, as prescribed in the Guidelines.

- (xix). Average Loading rate.

(a). Clause 4.2.4 of the Berthing Policy, 2016 prescribes the loading rate at 3250 tonnes per hour for panamax vessels, 2750 tonnes for supramax vessels and 2500 tonnes for handymax vessels. The PPT has proposed a loading rate of 3000 tonnes per hour for panamax vessels and 2500 per hour for Handymax/ Supramax vessels in respect of the Mechanised Coal Berths at CB 1 & CB 2. The loading rate has been scaled down by the PPT considering the position that there would be a requirement of hatch changing (where each change over takes approximately 10 – 15 minutes). The port has added that if the hatch change over linked loader shifting time has to be taken out for calculation of productivity, then the vessel has to agree for a load rate proportionate to 4000 TPH in all cases of Panamax, Supramax or Handymax type vessels, else the berth rated capacity would be grossly underutilized. The judgment of the port in this regard is relied upon.

(b). The gross ship day output of 24000 tonnes per day proposed by the PPT in respect of vessels working at Mechanized Iron Ore berth (IOB) for coal loading is reported to be higher than the overall average productivity achieved by the Port at Mechanized Iron Ore berth (IOB) during the last three preceding years.

(c). Similarly, the gross ship day output of 42000 tonnes per day proposed by the PPT in respect of vessels working at Mechanized Iron Ore berth (IOB) for handling Iron ore and Iron ore pellets is reported to be higher than the overall average productivity achieved by the Port at Mechanized Iron Ore berth (IOB) during the last three preceding years.

- (xx). The Berthing Policy, 2016 stipulates that quantum of levy of penalty in the event of non-achievement of the performance norms will be 3 times the berth hire on additional hours spent at berth. Similarly, incentive for achievement will be 1 times berth hire for early vacation of the berth. However, the proposal of the Port for levy

of penalty/ grant of incentive is not with reference to actual stayal time of vessel at berth and also not linked with berth hire as per the Berthing Policy 2016. The incentive/ penalty scheme as proposed by the port draws linkage to the time period as prescribed for loading clearance, time allowed for de-ballasting, number of times to be taken for hatch changes, time allowed for draught check and time allowed for final clearance from the time of completion of loading, as discussed in the preceding paragraphs. Accordingly, incentive is stipulated in the event the time taken for the various clearances is less than the time lines prescribed for the clearances and penalty is stipulated in the event the time taken for the various clearances is more than the time lines prescribed for the clearances/ penalty scheme

The Port has reasoned that the non-achievement of productivity at the mechanical berths i.e., CB 1, CB 2 and IOB can be attributed to the Port. In the event of a mechanical failure of port loading system, resulting in the ship staying for a longer duration than the scheduled stay, it would not be fair on part of the Port to charge penal berth hire for the said longer duration of stay of the vessel. In view of the above position, the port has reported to have prescribed incentive/ penalty scheme by drawing linkage to the time period as prescribed for de-ballasting of vessels, time taken for opening of hatches, number of hatch changes and draft checks etc.

Based on the reasoning as furnished by the port and since the proposal has approval of the Board of Trustees of the Port, this Authority is inclined to approve the incentive/ penalty scheme for the mechanized berths.

- (xxi). The Berthing Policy, 2016 does not stipulate levy of penalty for evacuation of cargo from wharf with the stipulated time. However, the PPT has stated that huge accumulated uncleared cargo lies on the wharf after the sailing of the vessel primarily due to late reporting and early stoppages of dumpers and payloaders and deployment of inadequate cargo handling equipment by the stevedores, resulting in slow evacuation of cargo and thereby affecting the discharge operation of the incoming vessel and thereby leading to idling of the incoming vessel at the berth. To keep a check on such instances, the port has proposed a penalty for non-evacuation of cargo from wharf within 4 hours from sailing of vessels at the rate equal to wharfage of expected quantity of cargo that could have been discharged had there been no obstruction of uncleared cargo. It is understood that the port has started levying these penal charges with effect from 03 October 2017 i.e. even prior to the PPT approaching this Authority with the subject proposal in reference.

In this context, with regard to a representation made by Paradip Port Stevedores Association (PPSA) regarding the unilateral fixation of productive norms and imposition of penalty for non-performance by PPT, the port has sought to state that to enable the port to achieve the ambitious target of 100 MMT throughput as fixed by the MOS, it is upon the port to take steps to facilitate faster berthing of incoming vessels, improve the TRT, timely transportation of the discharged cargo by the stevedores from the wharf and reduce congestion at the Port. In this scenario, non-clearance of cargo from the wharf has become a major obstacle for the port to achieve higher productivity.

Considering the submissions made by the Port and since the proposal of the PPT has the approval of the Board of the Trustees of PPT, this Authority is inclined to approve the penalty scheme for non-evacuation of cargo from wharf within the stipulated time.

- (xxii). The berthing policy, 2016 stipulates prescription of anchorage charges in order to reduce the pre-berthing detention and improve the overall turnaround time (TRT) across the Major Port. The PPT has not proposed the levy of anchorage charges as stipulated in the Berthing Policy 2016, on the ground that levy of anchorage

charges will lead to diversion of vessels to neighboring Non-Major Ports, as the non-major ports do not levy such charges. The port has reasoned that waiting of vessels at Anchorage in many cases is on account of non-readiness of vessel to work and/or due to paucity of Storage space, / Ullage of the users/ want of documents etc. Further, the port has reported that the calculation of Turn around time (TRT) now is being considered excluding the waiting time of ship at anchorage. The port has also reported to have communicated to the MOS, its decision of not levying Anchorage charges for waiting of ships at Anchorage.

- (xxiii). The port has not quantified the financial impact of the proposed tariff arrangement. However, the port has indicated that during the year 2017-18, the port has paid incentive to the tune of ₹ 3.95 crores and levied penalty to the tune of ₹ 3.65 crores. Given that the proposal of the port is in the nature of levy of penalties/ incentive on account of over stayl of vessel/ non-evacuation of cargo from berth and would be dependent on the action of the third party, it is not possible for the port to ascertain the financial impact of the proposed tariff arrangement.
- (xxiv). Levy of any charges by the Port which is covered by Section 48 of the Major Port Trusts Act, 1963, requires approval of this Authority. As seen from the proposal in reference submitted by PPT, the port with the approval of its Board of Trustees and by issuing trade circulars has already implemented the performance norm based penalties and incentives for handling of dry bulk cargo on various dates as given below, which is seen to be much prior to the date of filing of the subject proposal in reference on 06 December 2017:
 - (a). Performance based Incentive & Penalty for conventional handling of Dry Bulk, Break Bulk and Project Cargo in fair season w.e.f. 15.01.2017.
 - (b). Performance based Incentive & Penalty for conventional handling of Dry Bulk, Break Bulk and Project Cargo in monsoon w.e.f 01.06.2017.
 - (c). Penalty norms for Thermal Coal handled at MCHP w.e.f 01.11.2015.
 - (d). Incentive and penalty norms for Thermal Coal handled at MCHP w.e.f. 25.08.2017.
 - (e). Incentive and Penalty norms for Iron Ore / Iron Ore Pellet / Thermal Coal handled at IOB w.e.f. 25.08.2017

Thus, the PPT has sought approval to the proposed performance norm based penalties and incentives for handling of dry bulk cargo with effect from the date of implementation as mentioned above, presenting a fait accompli situation to this Authority. It is not unreasonable to expect a port to take advance action for introduction of any new rates/ imposition of levy/ grant of incentive instead of presenting fait accompli situation before this Authority. Nevertheless, considering that the port has already implemented the incentive/ penalty scheme with the approval of its Board of Trustees and the scheme has been in vogue for almost more than 1 ½ years, this Authority is constrained to give effect to the various incentive/ penalty schemes as proposed by the port above. The PPT is advised to refrain from taking such action in the future.

- (xxv). Clause 7.2 of the Berthing Policy encourages the Ports to roll out performance norms in a phased manner during the first year to reach the target levels achievable for each commodity considering the infrastructure available at the berths. The port is expected by the Policy to reach the target levels achievable for each commodity during the first year. However, in the case in reference, as brought out above, the incentive/ penalty schemes has been in force for more than a year. At the same time, considering the situation as brought out earlier, this Authority is inclined to approve the validity of the performance norm based incentive/ proposal approved upto 31 March 2019. The port has stated that the

policy provides for upward revision of productivity upon achievement of 70% of the ships. It was also agreed to examine for fixing productivity norms for future period. Accordingly, the port is advised to come up with a proposal to give effect to the improved performance norms considering the upgradation of infrastructure at berth, if any, and following the stipulations contained in the Berthing Policy, latest by 31 January 2019.

10.1 In the result, and for the reasons given above and based on collective application of mind, incorporation of the following provision in the existing Scale of Rates of PPT is approved:

“1. Performance norm based Incentive/ Penalty in respect of handling Dry bulk / Break Bulk cargo at Paradip Port Trust

1.1 Performance norms for Dry Bulk handling conventionally:-

Gearless (GL)/ Geared (G) vessels	No. of HMC / Ship crane	Season (*)	Ship-day productivity (in MT)				
			Coal	Flux	Coke	Iron Ore/ Pellet	Other Dry bulk
Gearless (GL)/ Geared (G) vessels	2 or above	Fair (*)	22000	17400	15000	27000	22000
		Monsoon (*)	20000	16000	14000	27000	20000
Gearless (GL)/ Geared (G) vessels	1 HMC	Fair (*)	15000	14000	12000	18000	15000
		Monsoon (*)	14000	13000	11000	18000	14000
Geared (G) vessels	4 Ship cranes	Fair (*)	14000	12000	10000	15000	13000
		Monsoon (*)	13000	11000	9000	15000	12000

(*) Fair Season: October to May and Monsoon Season: June to September

1.2. Performance norms for Steel/ Break Bulk / Project Cargo handling conventionally:-

Cargo	Ship-day Productivity Norms (in MT)
HR Coil and other unit weight more than 5 T	6000
Other Steel Cargo (Plate, Bar, Billet) and break Bulk cargo Unit weight 5 T or less)	2000
Project Cargo	1000

1.3. The incentive or penalty for Dry and Break Bulk or Project cargo handled at conventional berths:

1.3.1 Steamer Agents to submit the 'Vessel Planning' prior to berthing of the vessel.

1.3.2. The stipulated time of stay of vessel shall be calculated based on the total cargo discharged/ loaded from the vessel during the stay at berth and the performance norm prescribed for the commodity. For example, a vessel carrying 59,830 tonnes of coking coal, the stipulated time of stay of vessel will be 103 hours i.e. $59830 \text{ tonnes} \div 14000 \text{ tonnes per day} \times 24 \text{ hours} = 102.56 \text{ hrs} = 103 \text{ hours}$.

1.3.3 The penalty of ₹ 3500.00 per hour or part thereof for the stay of vessel at berth higher than the stipulated time of stay of vessel at berth and incentive of ₹ 3500.00 per hour or part thereof for the stay of vessel at berth lower than the stipulated time of stay of vessel at berth.

- 1.3.4. If the stayal of vessel at the berth 2 hours lower than the stipulated time, the Stevedores are eligible for incentive of ₹. 7000/- (₹.3500*2) and vice versa in case of penalty.
- 1.3.5. The period for which the vessel operation is affected due to the following limited port-related or weather- related issues will be deducted from the actual time of stay of vessel at berth for arriving the incentive/ penalty scheme for handling Dry and Break Bulk cargo at conventional berths:
- (a). Break down/ non-availability of cranes to be provided by Port at berth.
 - (b). Rain and inclement weather as indicated in the Statement of Facts (SOF)
 - (c). Foreign materials due to manual shifting of cargo to Mechanical Coal Handling Plant (MCHP)
 - (d). Shifting of vessel on account of Port.
 - (e). Any delays in sailing post vessel readiness to sail on account of Port. i.e. Pilot/ tug unavailability, and tidal conditions.
 - (f). The time lost due to stoppage of work for any reasons other than the above (i). to (v). to be excluded for calculation of performance norms, only with the approval of the Board.
- 1.3.6. Since licenses are issued by the Port to Stevedores for handling cargo and the Stevedores indent Port resources for handling cargo, the Stevedores would avail incentive and also bear the penalty.
- 1.3.7. The geared vessels are expected to operate all cranes till the completion of loading / unloading of cargo. Such geared vessels which are unable to engage all or any ship crane for cargo loading / unloading operations due to breakdown of ship cranes or any other reasons not attributable to port, the vessel agent/ importer/ exporter is liable to engage Harbour Mobile Crane (HMC) till the ship gears is / are made operational.
- 1.3.8. In case the geared vessels engage HMC in loading / unloading operation to supplement the vessel gears for any reason, the productivity norm applicable to geared vessels to be considered as the productivity norms of such vessels.
- 1.3.9. In case of vessels using more than 2 HMCs to achieve better efficiency, the incentive / Penalty to be calculated considering the productivity norms for 2 HMCs.
- 1.3.10. Where the vessel is not achieving the prescribed productivity norms, PPT reserve the right to shift the vessel to anchorage at the risk and cost of the ship in addition to levy of penalty charges, if any, at the above prescribed rate.
- 1.3.11. The above incentive/ penalty will not be applicable in respect of vessels operating at CQ-3 and IOB manually with vessel crane considering less wharf space and constraint in movement of IPT dumpers due to existing mechanized facilities.
- 1.3.12. PPT may review the productivity norms on quarterly basis and revise the same, if required, based on local conditions and past

performance etc. as stipulated in the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016, issued by Ministry.

- 1.3.13. The performance norms as specified at clause 1.1 in respect of Dry Bulk cargo handled conventionally during the Fair Season and performance norms as specified at clause 1.2 in respect of Break Bulk cargo handled conventionally will be effective from 15 January 2017.
- 1.3.14. The performance norms as specified at clause 1.1 in respect of Dry Bulk cargo handled conventionally during the Monsoon will be effective from 01 June 2017.
- 1.3.15. The penalty/ incentive norms as specified at clause 1.3 will be effective from 15 January 2017.
- 1.3.16. Stevedores are not engaged by Shippers/Exporters at mechanical berths i.e., CB 1, CB 2 and IOB for cargo loading operation, which are operated by PPT. As far as payments of charges are concerned, the Steamer Agents make payment towards vessel related charges and concerned Shippers / Exporters make payment towards cargo related charges. At these berths, the productivity mainly depends on the deballasting capacity of vessels, loading rate accepted by vessel, time taken for opening of hatches, number of hatch changes and draft checks etc. and therefore it is decided to pay / recover incentive / penalty from the Steamer Agents.

1.4. Performance, Incentive and Penalty norms for the vessels working at Mechanised Coal berths CB1 & CB2

1.4.1. Performance Norms for Clearance and Loading

Sl. No	Activity	Norm
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given) (i) Existing coastal vessel (i.e. already converted) (ii) Foreign vessels requiring coastal conversion	45 minutes 70 minutes
(b)	Time allowed for de-ballasting (i) Panamax Vessel (ii) Handymax/Supramax	Nil 1 hour
(c)	Number of Times to be taken for hatch changes (i) Panamax vessel (ii) Handymax/Supramax vessel	(No. of hatches X 2+ 1) (No. of hatches X 2+ 1)
(d)	Time allowed for draught check (2 times draught check)	1 hour
(e)	Time allowed for final clearance from the time of completion of loading	1 hour

1.4.2 Performance norms for Average Loading Rate

Sl. No.	Vessel Type	Performance Norm (Tonnes per hour)	Remarks
(a)	(i) Panamax vessel	3000	<u>Total Qty. Loaded</u> Time Taken (Berthing to Completion)
	(ii) Handymax/ Supramax Vessel	2500	

1.4.3 Penalty for Non-Achievement of the above Performance norms at 1.4.1

(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.4.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item 1.4.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.

1.4.4 Incentive for Achievement of the above Performance norms at 1.4.1

(a)	Total allowed Time for existing Coastal Panamax vessel = 45 min (Loading clearance time) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	2 hr. 45 min	₹5,000/- per hour or part thereof for less time taken for the above activities
(b)	Total allowed Time for existing Coastal Handymax / Supra vessel = 45 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	3 hr. 45 min	
(c)	Total allowed Time for existing Foreign going Panamax vessel = (Loading clearance time: 1 hr 10 min (Loading clearance time) + 1 hr(draft check) + 1 hr (Completion to Final Clearance)	3 hr. 10 min	
(d)	Total allowed Time for existing Foreign going Handymax / Supra vessel = (Loading clearance time: 1 hr 10 min (Loading clearance time) + 1 hr (deballasting) + 1 hr (draft check) + 1 hr (Completion to Final Clearance)	4 hr. 10 min	

Notes :

- (i). Penalty as specified at clause 14.3 for Non-Achievement of the Performance norms at specified at 14.1 will be effective from 01 November 2015.
- (ii). Incentive as specified at clause 14.4 for Achievement of performance norms as specified at 1.4.1 & 1.4.2 will be effective from 25 August 2017.

(iii). A vessel is eligible for incentive, if average loading rate specified at 1.4.2 is achieved.

(iv). Incentive Scheme is not applicable for up- topping vessels.

1.5. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Coal Loading

1.5.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Norm
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given) (iii) Existing coastal vessel (i.e. already converted) (iv) Foreign vessels requiring coastal conversion	45 minutes 70 minutes
(b)	Time allowed for de-ballasting	Nil
(c)	Number of Times to be taken for hatch changes (iii) Panamax vessel (iv) Handymax/Supramax vessel	(No. of hatches X 2+ 1) (No. of hatches X 2+ 1)
(d)	Time allowed for draught check (2 times draught check)	1 hour
(e)	Time allowed for final clearance from the time of completion of loading	1 hour
(f)	Gross Ship Day Output (Tonnes per day) (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	24000 TPD

1.5.2 Penalty for Non-Achievement of the above Performance norms at

1.5.1

(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.5.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item 1.5.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.

1.5.3 Incentive for Achievement of the above Performance norms at 1.5.1

(a)	Total allowed Time for existing Coastal vessel = 45 min (Loading clearance time) + 1 hour (draught check) + 1 hour (Completion to Final Clearance)	2 hr. 45 min	Rs.5,000/- per hour or part thereof for less time taken for the above activities
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 10 min (Loading clearance time + 1 hour (draft check) + 1 hour (Completion to Final Clearance)	3 hr. 10 min	

Notes :

- (i). Penalty as specified at 1.5.2 for Non-Achievement and incentive as specified at 1.5.3 for achievement of performance norms as specified at clause 1.5.1 will be effective from 25 August 2017.
- (ii) A vessel is eligible for incentive, if average loading rate specified at 1.5.1(f) is achieved.

1.6. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Iron Ore Loading

1.6.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Norm
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given) (v) Existing coastal vessel (i.e. already converted) (vi) Foreign vessels requiring coastal conversion	60 minutes 90 minutes
(b)	Time allowed for de-ballasting	Nil
(c)	Number of Times to be taken for hatch changes (v) Panamax vessel (vi) Handymax/Supramax vessel	(No. of hatches X 2+ 1) (No. of hatches X 2+ 1)
(d)	Time allowed for draught check (2 times draught check)	1 hour
(e)	Time allowed for trimming	4 hours.
(f)	Time allowed for final clearance from the time of completion of loading	30 minutes (0.5 hours)
(g)	Gross Ship Day Output (Tonnes per day) (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	42000 TPD

1.6.2 Penalty for Non-Achievement of the above Performance norms at 1.6.1

(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.6.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item 1.6.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.
(d)	Levy of penalty for additional time taken for trimming in excess of time norm stipulated at 1.6.1 (e)	₹ 5,000/- per hour or part thereof

1.6.3 Incentive for Achievement of the above Performance norms at 1.6.1

(a)	Total allowed Time for existing Coastal vessel = 1 hour (Loading clearance time) + 1 hour (draught check) + 4 hours (Trimming) + 30 minutes (Completion to Final Clearance)	6 hr. 30 min	Rs.5,000/- per hour or part thereof for less time taken for the above activities
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 30 minutes (Loading clearance time + 1 hour (draft check) + 4 hours (Trimming) + 30 minutes (Completion to Final Clearance)	7 hr.	

Notes :

- (i). Penalty as specified at 1.6.2 for Non-Achievement and incentive as specified at 1.6.3 for achievement of performance norms as specified at clause 1.6.1 will be effective from 25 August 2017.
- (ii) A vessel is eligible for incentive, if average loading rate specified at 1.6.1 (g) is achieved.

1.7. Performance, Incentive and Penalty norms for the vessels working at Mechanised Iron ore Berth (IOB) for Iron Pellets Loading

1.7.1 Performance Norms for Clearance and Loading

Sl. No	Activity	Norm
(a)	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations etc. till the loading clearance given) (vii) Existing coastal vessel (i.e. already converted) (viii) Foreign vessels requiring coastal conversion	45 minutes 70 minutes
(b)	Time allowed for de-ballasting	Nil
(c)	Number of Times to be taken for hatch changes (vii) Panamax vessel	(No. of hatches X 2+ 1)

	(viii) Handymax/Supramax vessel	(No. of hatches X 2+ 1)
(d)	Time allowed for draught check (2 times draught check)	1 hour
(e)	Time allowed for final clearance from the time of completion of loading	1 hour
(f)	Gross Ship Day Output (Tonnes per day) (Loading completion time – Loading commencement time – stoppages on Port A/c, and rain /inclement weather as per SOF)	42000 TPD

1.7.2 Penalty for Non-Achievement of the above Performance norms at 1.7.1

(a)	Levy of penalty for excess time taken for loading clearance, de-ballasting, final draught check and other clearances as stipulated above.	₹ 5,000/- per hour or part thereof
(b)	Levy of penalty for each additional hatch changes than the above stipulated norms at 1.7.1 (c)	₹ 5,000/- for each additional hatch change.
(c)	Levy of penalty for each additional draught check than the above Item 1.7.1 (d)	₹ 5,000/- for each additional survey beyond the stipulated 2 times.

1.7.3 Incentive for Achievement of the above Performance norms at 1.7.1

(a)	Total allowed Time for existing Coastal vessel = 45 min (Loading clearance time) + 1 hour (draught check) + 1 hour (Completion to Final Clearance)	2 hr. 45 min	₹ 5,000/- per hour or part thereof for less time taken for the above activities
(b)	Total allowed Time for existing Foreign going vessel = 1 hour 10 min (Loading clearance time + 1 hour (draft check) + 1 hour (Completion to Final Clearance)	3 hr.10 min	

Notes :

- (i). Penalty as specified at 1.7.2 for Non-Achievement and incentive as specified at 1.7.3 for achievement of performance norms as specified at clause 1.7.1 will be effective from 25 August 2017.
- (ii). A vessel is eligible for incentive, if average loading rate specified at 1.7.1(f) is achieved.

1.8. Penalty scheme for non-evacuation of cargo from wharf.

- 1.8.1 The penalty for non-evacuation of cargo from wharf with 4 hours from the vessels will be levied at the rate equal to wharfage of the expected quantity of cargo that could have discharged had there been no obstruction of uncleared cargo.
- 1.8.2 The penalty scheme at clause 1.8.1 will be effective from 03 October 2017.

10.2. The above provisions are deemed to have come into effect from the dates as specified under Section 1.1 to 1.8 above and shall remain valid upto 31 March 2019.

(T.S. Balasubramanian)
Member (Finance)

SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / DIFFERENT USER ORGANISATIONS AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY.

F. No. TAMP/79/2017-PPT	Proposal received from Paradip Port Trust seeking approval for the performance norm based incentive/penalty in respect of handling dry bulk cargo at Paradip Port trust as per berthing policy 2016.
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A summary of comments received from the users and the response of PPT thereon is tabulated below:

Sr. No.	Comments of the users or user organization	Reply of the PPT																																														
1.	Kalinga Steamship Agents Association (KSAA)																																															
(a).	FOR CB I & CB II :	For CB-I & CB-II																																														
(i).	Prevailing practice : All made fast to time for loading clearance: 60 minutes (for conversion require vessels) : 30 minutes (for coastal run vessels) Suggested views: Should be: Gangway placed time to loading commencement: 1 hours (for conversion require vessels) : 30 minutes (for coastal run vessels) Note: Berth design and structures make it difficult for vessel to place the gangway on jetty. It is time consuming and there remains a gap of about 2 mtrs. We are forced to board the vessel without proper gangway arrangements. Due to design and structural constraints of both the berth and the vessel, gangway can't be placed and effectively there is no safe access. Without safe access due to time constraints and pressure agents, stevedore's surveyors etc are forced to undertake unsafe boarding of vessel. In case of a mishap there will be no insurance cover for agents etc as they boarded vessel on their own risk. MMD takes it as a major violation of SOLAS, for no fault of vessel she can be detained and arrested. Above issues can be resolved only if vessel can be given extra time to make customized adaptation to provide safe access overcoming the design constraint of the berths.	Prevailing practice : The extant Performance Parameters of Berthing Policy for CB-1 & CB-2 of PPT and the fixation of time factors led penalty and incentive structure has been designed after protracted discussions with the PPT's Users including KSAA. This has led to an all round improvement in performance parameters of CB-1 & CB-2 as given below: <table><tr><th colspan="2">Performance of CB-1 & CB-2(MCHP)</th><th>2014-15</th><th>2015-16</th><th>2016-17</th><th>2017-18*</th></tr><tr><td colspan="2">Qty. handled (MMT)</td><td>21.15</td><td>23.68</td><td>19.58</td><td>22.13</td></tr><tr><td rowspan="3">Gross Productivity</td><td>TPH</td><td>1370</td><td>1685</td><td>2284</td><td>2144</td></tr><tr><td>SB</td><td>32360</td><td>39753</td><td>54843</td><td>46754</td></tr><tr><td>DP</td><td></td><td></td><td></td><td></td></tr><tr><td colspan="2">Berth Occupancy (%)</td><td>89.18 %</td><td>81.1%</td><td>50.99 %</td><td>62.73%</td></tr><tr><td colspan="2">PBD (in hrs.)</td><td>55.12</td><td>53.90</td><td>51.21</td><td>7.63**</td></tr><tr><td colspan="2">TRT (in days)</td><td>4.07</td><td>3.75</td><td>3.35</td><td>1.74</td></tr></table> The above has led to mutual benefits where the users have saved in vessels' stayal time/cost and PPT could add potential capacity of the berth without additional capital expenditure. However on the issue of alleged unsafe boarding of vessel by KSAA members emerging out of PPT fixing the Loading Clearance Time to only 30 minutes (Coastal Vessels from time of "All made fast"; it is submitted that the concerns of safety or unsafe berth infrastructure of CB-1 & CB-2 was never discussed by KSAA earlier. In any case, PPT has no intention of violating any Safety norms. For the sake of clarity in the matter, it is submitted that the time period considered to measure the performance of a vessel (i.e. Berthday output) is the vessel's stay at berth i.e., from "All made fast to unberthing	Performance of CB-1 & CB-2(MCHP)		2014-15	2015-16	2016-17	2017-18*	Qty. handled (MMT)		21.15	23.68	19.58	22.13	Gross Productivity	TPH	1370	1685	2284	2144	SB	32360	39753	54843	46754	DP					Berth Occupancy (%)		89.18 %	81.1%	50.99 %	62.73%	PBD (in hrs.)		55.12	53.90	51.21	7.63**	TRT (in days)		4.07	3.75	3.35	1.74
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	Draft survey: Prevailing practice: Penalty is being calculated for No. of times allowed for Draft survey and also for allowed time period.	of the vessel after completion of loading". Accordingly the Loading Clearance time is fixed at 30 minutes and 60 minutes respectively for Coastal & Foreign vessels (where conversion of a vessel from Foreign run to costal run is required) respectively from "All made fast time". Since introduction of the norms on 01.11.2015 till February, 2018; out of 551 Coastal vessels loaded at CB-1 & CB-2; 231 vessels (42%) have been able to achieve the stipulated norms of 30 minutes fixed for loading clearance with an average time of 47 minutes. Similarly out of 243 Foreign vessels requiring conversion; 149 (62%) have achieved the said norms of allowable 60 minutes with an average time of 59 minutes. It may be informed that during the consultative process taken by the Authority at Bhubaneswar for finalizing the Berthing Policy norms on 24.04.2018, the Chairman, Poompuhar Shipping Corporation Ltd. (the company which places maximum number of vessels for Thermal Coal Loading at CB-1 & CB-2 berths of PPT) in his submission raised the issue of increasing the Loading Clearance Time to 45 minutes instead of 30 minutes for Coastal Vessels. In his submission during the meeting before the Authority, while appreciating the Performance of CB-1 & CB-2 berths of PPT along with the Director, TANGEDCO (the largest exporter from the berths), he also stated that the said stipulated time for Foreign Flag vessels requiring Coastal Conversion can be reduced from allowable 60 minutes to 45 minutes. In view of above concerns and submissions, PPT considers the relaxation in the norms so fixed by PPT for CB-1 & CB-2 berths as regards to "Time for Loading Clearance" only, keeping all other parameters of Berthing Policy for the said berths intact: (i) Time allowed for Loading Clearance for Coastal Vessel as 45 minutes from the time of "All made fast" instead of existing norm of 30 minutes. (ii) Time allowed for Loading Clearance for Foreign Vessels requiring Coastal conversion as 70 minutes from the time of "All made fast" instead of existing norm of 60 minutes. Draft survey : Prevailing practice : Time allowed for draft check: Two (2) times totaling to 1 hour only. As far as the draft survey is concerned, the
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	Suggested views: No. of time for draft survey should not be restricted. For all loading vessels it is necessary that the penalty should be calculated on allowed time frame only and not on no. of times for draft check.	KSAA's suggestion of not restricting the number of times for draft survey but to consider only the time frame allowed for draft survey of 1 hrs is not acceptable as the increase in the numbers of time draft survey from proposed two (2) numbers will lead to increase in number of loading stoppage and stoppage time as the vessel stops loading during such draft checks, which will affect the overall Load Rate per hour further and the resultant Ship Berthday output. As the proposal suggested by KSAA will affect overall operational performance, the same may not be considered favourably.
(ii).	Both Penalty & Incentive structure should be calculated on berth day output / productivity basis per day load rate which was fixed by port as per the attached circular (40000 mt per day for supramax/handymax vessels and 50000 mt per day for Panamax vessels)	The remarks on the existing penalty and incentive scheme vis a vis suggestions of penalty and incentive structure proposed by KSAA is given as under: The proposed policy of 01.11.2015 has the following stipulations only linked with penalty for non-adherence to the norms: A. <u>Loading rate</u> (i) Panamax Vessel : 3000 tones/hour (ii) Handymax/Supramax vessel : 2500 tones/ hour B. <u>Gross shipday output</u> (i) Panamax Vessel : 50,000 tonnes (ii) Handymax/Supramax vessel : 40,000 tonnes This has improved the Gross Ship Day Output performance of vessels at CB-1 & CB-2 berths considerably even though the ships in all categories could not achieve the loading rate. However, after introduction of the stated scheme, the MoS for the FY. 2017-18 fixed the Result Framework Document (RFD) target for MCHP productivity (Coal Mechanized) at 55000 MT / day. In the FY 2016-17, the ratio of Panamax to Handymax vessels handled at Coal berth is 42 %: 58% & the therefore the Average Ship Day Productivity achieved was less than 55,000 MT/ day at 54,843 MT/ day due to lesser handling of Panamax vessels. In order to achieve the above RFD target fixed and taking the fact that PPT has to work with lesser Panamax vessels compared to Handymax vessels handled at MCHP as well as also the demand of trade for introduction of an Incentive Scheme, which was considered only on 25.08.2017 (copy of the Circular issued on the matter

		vide No.TD/TM/GEN-185/2607 of 01.09.2017 is enclosed by PPT where the stipulated clause for the payment of incentive is linked to saving of time on each factors of delays that effects the Plant Load Rate i.e. 3000 TPH in case of Panamax vessels & 2500 TPH in case of Handymax/Supramax vessels rather than Gross Ship Day Productivity. As per the existing scheme, the penalty is calculated whenever the vessel takes more time for different activities which affect the productivity, than the prescribed time limits and not based on the berthday output. This has yielded the desired result since 2015 by turn round the vessels with 1.74 days as against the 3.75 days prior to implementation of the scheme. In the mechanical berth operations, the shipday output depends on mainly the characteristics of vessel which are important to cope up with the loading rate and in turn achieves the berthday output. Moreover, the proposed method may lead to dispute between the Port and Steamer Agent stating that the shipday output could not be achieved due to reasons not attributable to them. Therefore, it is felt devising penalty / incentive scheme based on berthday output is not appropriate.
(iii).	Port control should accept 30 minutes' notice for readiness of the vessel to sail.	Though the Thermal Coal vessels from CB-1 & CB-2 are considered with highest priority for outward sailing in terms of various policy led incentives for Coastal vessels, but considering the overall scenario of shipping movement at the port though 30 minutes' notice for readiness for vessel to sail can be accepted but the same cannot be put into best practices considering the fact that the floating crafts & the engagement of a trained pilot for navigation of the vessel in her outward journey cannot be organized in 30 minutes. For this reason, 1 hour time has been allowed for Final Clearance to sailing after completion of loading.
(b).	FOR IOB	
(i).	Prevailing practice : All made fast to time for loading clearance: 60 minutes Suggested views: Should be: Gangway placed time to loading commencement: 1 hours Note: Gangway placement and safe access issues as stated above.	<u>Loading Clearance time</u> From the time of berthing (All made fast) including initial draught survey and other documentations etc. till the loading clearance given. (i) Existing Coastal vessel- (a) Coal/Iron Ore Pellets : 30 minutes (b) Iron Ore Fines : 60 minutes. (ii) Foreign vessels (requiring Coastal conversion): (a) Coal/Iron Ore Pellets : 60 minutes (30 minutes normal +30)

		minutes additional) (b) Iron Ore Fines: 90 minutes (60 minutes normal + 30 minutes additional). It may be added that Coal and Iron Ore Pellets loaded through IOB being free flowing cargo are not subject to stringent regulatory control / checks of Moisture contents and Transportable Moisture Limits (TML) which is applicable for Iron Ore Fines under the specific regulation as per Safety of Life at Sea (SOLAS) Convention. Accordingly, like CB-1 & CB-2 berths, the Loading Clearance allowable time is 30 minutes and 60 minutes from the "All made fast time" for Coastal vessels and Foreign vessels respectively at IOB. However, in case of Iron Ore vessels the same has a grace period of additional 30 minutes for each category vessels i.e. for Coastal and Foreign as the same would require additional checks for Moisture contents and Transportable Moisture Limits (TML) by the Surveyors and vessel personnel as well as regulatory authority like MMD. The present norm calculates the pre-loading clearance time from "All made fast time" to clearance to load which includes all the activities like Gangway Placement, Custom Clearance and Initial Draft Survey. Any change in the practice may affect the overall productivity of the Plant. However, keeping in view that in case of loading of Thermal Coal at CB-1 & CB-2 berths where due to the submissions of Users, the Authority may consider (i) increase of 15 minutes for Coastal vessels, i.e. 45 minutes for Loading Clearance from the time of "All made fast time" of the vessel (instead of 30 minutes as already proposed in the policy) and (ii) increase of 10 minutes for foreign vessels requiring conversion, i.e., 70 minutes for Loading Clearance from the time of "All made fast time" of the vessel (instead of 60 minutes as already proposed in the policy). In such an event, the said stipulation for Coal/ Iron Ore Pellets loading at IOB may also be considered by the Authority for vessels for which there would be proportionate increase in the stipulated saving time for payment of incentive. In view of above concerns and submissions, PPT considers the relaxation in the norms so fixed by PPT for IOB berths as regards to
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		"Time for Loading Clearance" for Coal / Iron Ore Pellet only keeping all other parameters of Berthing Policy for the said berths intact: (i) Time allowed for Loading Clearance for Coastal Vessel to load Coal/Iron Ore Pellets as 45 minutes from the time of "All made fast" instead of existing norm of 30 minutes. (ii) Time allowed for Loading Clearance for Foreign Vessels requiring Coastal conversion to load Coal/Iron Ore Pellets as 70 minutes from the time of "All made fast" instead of existing norm of 60 minutes. In any case, there would be no change in Loading Clearance Time for Iron Ore vessels to be worked at IOB.
(ii).	Draft survey : Prevailing practice: Penalty is being calculated for No. of times allowed for Draft survey and also for allowed time period. Suggested views: No. of time for draft survey should not be restricted. For all loading vessels it is necessary that the penalty should be calculated on allowed time frame only and not on no. of times for draft check.	Draft Survey : Time allowed for draft check: Two (2) times totaling to 1 hour only. As far as the draft survey is concerned, the suggested view of KSAA for not restricting the number of times for draft survey and to consider only the time frame allowed for draft survey of 1 hrs. is not acceptable as the increase in the numbers of time draft survey from proposed two (2) numbers will lead to increase in number of loading stoppage times as the vessel stops loading during such draft checks, which will affect the overall Load rate per hour and the resultant Ship Berthday output. Any extra number of draft checks beyond the stipulated 2 times would therefore attract penalty at the stipulated rate.
(iii).	Vessel clearance time should be considered from the cargo completion time to vessel ready to sail which is allowed 1 hour as per prevailing port norms.	Time allowed for final clearance from the time of completion of loading- at IOB is as follows: (a) For Coal & Iron Ore Pellets : 1 hour (b) For Iron Ore : 30 minutes In case of Iron Ore loading at IOB, the stated time has been kept at a lower duration of 30 minutes in comparison to Coal & Iron Ore Pellets due to the fact that for Iron Ore Loading at IOB, a Special provision of extra 4 hours [as at item (e) of the Iron Ore proposal] have been accorded for Trimming of the cargo inside each hatch after completion of loading as is required for inspection/checking by regulatory authorities like MMD/ representative of DG (Shipping) prior to clearance of the vessel's sea worthiness to sail by MMD. The stated 30 minutes of time stipulation for vessel clearance time is only an additional

		time in continuation of the stated extra time of 4 hours given for Iron Ore vessel's trimming and accordingly, the suggestion of KSAA to bring the same at par with the stipulated time frame of 1 hour for other vessels as per prevailing port norms may not be considered.
(iv).	For pre-loading clearance, time of 1 hour allowed by port in which the time from gangway down to clearance time for loading given by the vessel should be considered. As per present practice penalty is being calculated from all made fast time to port plant clearance time.	Loading Clearance time is calculated from the time of berthing (All made fast) including initial draught survey and other documentations etc. till the loading clearance given. The present norm is in line with the requirement to improve the productivity and to achieve plant's optimal capacity.
(v).	Draught Survey UN ECE: Code of Uniform Standards and Procedures is the international benchmark and Industry standards established by the European commission on how a draft survey is to be conducted. We request TAMP authorities to refer the code and advise us if same can be done in less than 1.5 to 2 hours. All Japanese ports allow 2hrs for draft survey.	The present allowed norm is maximum 1 hour per vessel limited to 2 numbers. The same is as per Berthing Policy Guideline Annexure-2 (item A2.3). This is normally the standard practical time frame and therefore any change in the parameter will affect the overall productivity of the Plant. The MoS Policy hopefully has taken the totality of UN ECE Code of Uniform Standards & Procedure for draft check in Maritime Transportation and accordingly, PPT's proposal has been made taking the same stipulation in draft check guideline times issued by MoS.
(vi).	Finally, aim of all concerned in maritime industry should be to avoid loss to industry itself. Only that can help protect interests of all stake holders. The ship is just a carrier and by all means vessel staff neither intends to load short cargo or to discharge short. A draft reading can be read differently by different people/angles thereby making different cargo calculations. Since marine industry works on good faith it becomes the joint responsibility of shipper/ship/receiver to ensure the correct quantity is loaded carried n discharged. In our race to achieve higher productivity let's not inadvertently allow a breach of trust to arise due to our inability to follow international established process and exercise due diligence.	
2.	Jindal Steel & Power Limited (JSPL)	
(i).	It is not clear how the productivity norms will be addressed for a vessel having lesser grab size, in case of breakdown of vessel gear for the whole shift or part of a shift, what is the process of calculating productivity norms?	On the issue related to lesser grab size of the vessel, it is submitted by PPT that generally 95% of ships visiting PPT work with 12 CBM grabs and about 5% of ships work with either higher size grabs of 14 CBM or with lesser size grabs of 10 CBM capacities. In such cases, higher productivity will be achieved in 14 CBM grabs; lesser productivity can be there by 10 CBM grabs compared to 12 CBM grabs of the vessel. However, taking into consideration 95% of ships works with 12 CBM grabs, lesser or higher grab size vessel productivity has not been taken into

		consideration for fixation of the normative productivity as the policy in general envisages to switching over to bigger size grabs in future as laid out in Annexure-1; A1.1 of the policy.																								
(ii).	<table><tr><th>Commodity</th><th>No. of Cycle per hour</th></tr><tr><td>Coking &A.Coal</td><td>30 for HMC & 15 for SC</td></tr><tr><td>N.C. Coal/ S.Coal/ T.Coal</td><td>30 for HMC & 15 for SC</td></tr><tr><td>L.Stone/ Dolomite</td><td>24 for HMC & 15 for SC</td></tr><tr><td>Gypsum</td><td>24 for HMC & 15 for SC</td></tr><tr><td>Oliflux</td><td>-do-</td></tr><tr><td>Iron Ore</td><td>-do-</td></tr><tr><td>Pig Iron</td><td>15 for HMC & 12 for SC</td></tr><tr><td>HB Iron</td><td>24 for HMC & 15 for SC</td></tr><tr><td>Coke</td><td>30 for HMC & 15 for SC</td></tr><tr><td>All other dry bulk cargo</td><td>-</td></tr><tr><td>Project Cargo</td><td>-</td></tr></table> With regard to above, it is stated that no. of Cycle per hour of HMC has been reduced for cargo other than first two commodities, whereas No. of Cycle of SC remains unchanged. Thus, it is proposed that No. of Cycle of SC needs to be reduced proportionately due to difficulty in grab biting and bottom cargo accumulation.	Commodity	No. of Cycle per hour	Coking &A.Coal	30 for HMC & 15 for SC	N.C. Coal/ S.Coal/ T.Coal	30 for HMC & 15 for SC	L.Stone/ Dolomite	24 for HMC & 15 for SC	Gypsum	24 for HMC & 15 for SC	Oliflux	-do-	Iron Ore	-do-	Pig Iron	15 for HMC & 12 for SC	HB Iron	24 for HMC & 15 for SC	Coke	30 for HMC & 15 for SC	All other dry bulk cargo	-	Project Cargo	-	PPT opined that the number of cycle for HMC in commodities like Coking Coal/Non-Coking Coal/Coke as per policy of 30 cycle per hour is very much achievable and has been kept as such while moderating the same for the other cargo cycle numbers by HMC due to the practical experience at PPT over the years. Needless to submit that the policy envisages cases of hook cycle per crane at 18 per cycle in full load condition and 12 in partial load conditions. However, in case of Pig Iron, the number of hook cycle by ship crane has been considered by PPT on the lower side at 12 per hour whereas in other commodities the same have been considered as 15 per hour (lower than 18 cycles considered in the policy) due to practical experience as is being achieved now at PPT taking into consideration that the bottom cargo hook cycle are made in nearly 5 minutes and the top cargo cycles are only of 3 minutes.
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(iii).	<table><tr><th>Commodity</th><th>Picking Factor</th></tr><tr><td>Coking &A.Coal</td><td>0.9</td></tr><tr><td>N.C. Coal/ S.Coal/ T.Coal</td><td>0.9</td></tr><tr><td>L.Stone/Dolomite</td><td>0.6</td></tr><tr><td>Gypsum</td><td>0.6</td></tr><tr><td>Oliflux</td><td>0.6</td></tr><tr><td>Iron Ore</td><td>0.9</td></tr><tr><td>Pig Iron</td><td>-</td></tr><tr><td>HB Iron</td><td>2.4</td></tr><tr><td>Coke</td><td>0.6</td></tr><tr><td>All other dry bulk cargo</td><td>-</td></tr><tr><td>Project Cargo</td><td>-</td></tr></table> Picking factor against Commodity No. 1 & 2 is at higher side. It is proposed for reduction in case of SC grab. It is proposed for different Picking Factor for SC grab & HMC Grab, as the cargo biting of both grabs are different basically due to the weight & momentum of the grab.	Commodity	Picking Factor	Coking &A.Coal	0.9	N.C. Coal/ S.Coal/ T.Coal	0.9	L.Stone/Dolomite	0.6	Gypsum	0.6	Oliflux	0.6	Iron Ore	0.9	Pig Iron	-	HB Iron	2.4	Coke	0.6	All other dry bulk cargo	-	Project Cargo	-	The picking factor considered for the commodity 1 & 2 (i.e. Coking Coal & Non-Coking Coal) at 0.9 is reasonable / being practical for handling by ship grab and PPT stated that there is no need to reduce the same. JSPL has suggested for moderation in different picking factor for Ship Grab & HMC Grab due to different weight and movement in operation. The same had been adequately considered by Port during the initial calculation for arriving at ship day productivity and there is no need for change in the same as explained above. Moreover, all the above issues were adequately discussed by the Port earlier with users (including JSPL) when none of the above points were discussed specifically as everybody agreed to the proposed calculation when it was demanded by the users only for moderation of gross average
Commodity	Picking Factor																									
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		shipday productivity and the present proposal of PPT has considered the same taking the totality of users' concerns though higher productivity was to be fixed based on the Berthing Policy norms issued by MoS.
(iv).	The PPT has proposed the performance norms for dry bulk cargo handled conventionally in respect of Coal, Flux, Coke, Iron Ore / Pellet and other dry bulk. In this regard, it is requested for separate category for Lime stone and Dolomite with reduced productivity norms due to reduced Grab Cycle. It is also requested for reducing geared vessel norms since reduced grab cycle is taken into account for HMC but same is not applied to SC grab cycle. Further, productivity norms for coke with ships gear are not achievable due to low density and low picking factor. It is also requested for defining the productivity norms for part cargo discharge.	Request for having a reduced productivity norms separately for Lime Stone and Dolomite have been adequately addressed by Port in its proposal after discussion with users. Issue of reduced geared vessel norms for ship grab with reduced hook cycle time like HMC has been explained above in PPT's clarification against Item No. 4 raised by JSPL. In relation to Coke, the lower productivity has been duly considered in the proposal taking the points raised by users in the initial stage of PPT's discussion for finalizing the productivity norms. The issue raised by JSPL for defining part cargo discharge separately (which are very common in case of the vessels proceeding to Haldia) though needs consideration, however considering the fact that in case of the top cargo discharged at Paradip, the hook cycle / grab picking factors are better and full leading to higher productivity in discharge. However, PPT considered the issue and considering in totality, it was felt prudent to finalize normative productivity as has been proposed in the same which need no change at this time.
(v).	One of the incentive/penalty scheme is that the penalty / incentive will be worked out on the period for which the vessel operations affected only due to shifting of vessel, breakdown of cranes, rain and inclement weather as indicated in the Statement of facts will be deducted from the actual time taken for completion. In this regard, it is requested to consider the time to include allowable stoppage time while preparing for shifting and allowable time until resumption of cargo after shifting. It is also requested that ports may declare non-weather working hours through observation by the Signal Station or in the following day of DTR. Often ship Owners belonging to various nationalities and places considered WWD declaration by Port Authority for C/P and Agent will have a clear basis to convey.	The productivity related due to shifting of ships from one berth to another and the resultant delays are duly considered by PPT from Statement of Facts (SOF) of the respective vessel while arriving at the relevant ship-day productivity norms linked to penalty or incentive. Similarly, the ship day productivity is being calculated linked to penalty or incentive taking into consideration the delays due to rain and inclement weather from the SOF of the vessel as envisaged in the Berthing Policy and therefore, there is no need for separately declaring Non-weather working hours, unless the same is due to any forecast by PPT in advance (specifically

	Another incentive / penalty scheme is that the geared vessels are expected to operate all cranes till the completion of loading / unloading of cargo. Such geared vessels which are unable to engage all or any ship crane for cargo loading/unloading operations due to breakdown of ship crane(s) or any other reasons not attributable to Port, the vessel agent/ importer/exporter is liable to engage Harbour Mobile Crane (HMC) till the ship gear(s) is/are made operational. In this regard, it is requested to mention the stipulated time period for engagement of HMC in case of breakdown of ship cranes.	due to forecast of any severe cyclonic weather). The issue raised by JSPL occurs at PPT in less than 1% occasion of breakdown of ship crane requiring engagement of HMC and hence needs to be ignored for overall consideration in the matter.						
(vi).	The performance norms for vessels working at mechanized iron ore berth (IOB) for iron ore pellet, has been proposed as follows: <table><tr><td>Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations, clearance etc. till the loading clearance given)</td><td></td></tr><tr><td>(i). Existing coastal vessel (i.e. already converted)</td><td>30 minutes</td></tr><tr><td>(ii). Foreign vessels requiring coastal conversion</td><td>60 minutes (30mnts normal + 30mnts additional)</td></tr></table> In this regard, it is requested that Loading Clearance Time of 60 minutes to be considered from the time of safe access provided by the vessel i.e. gangway down time instead of All Made Fast.	Loading Clearance time From the time of berthing (MADE FAST) including initial draught survey and other documentations, clearance etc. till the loading clearance given)		(i). Existing coastal vessel (i.e. already converted)	30 minutes	(ii). Foreign vessels requiring coastal conversion	60 minutes (30mnts normal + 30mnts additional)	
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(vii).	Further, proposed time allowed for draught check is as follows: <table><tr><td>Time allowed for draught check (2 times draught check)</td><td>1 hour</td></tr></table> In this regard, it is proposed to increase the time allowed for draught check to 90 minutes instead of 60 minutes for the following reasons: 1)Export commodity, where loaded quantity should be matched with draught survey figure as well as customs cleared s/bill quantity	Time allowed for draught check (2 times draught check)	1 hour	Iron Ore Pellet is a semi-finished material for making steel and for loading of same on ships unlike that of Iron Ore, no regulatory inspection / moisture check is required. In view of same, there is no need for increase in time to 90 minutes from allowable time of 60 minutes for Loading Clearance Time after the “All made fast” that includes very limited time for draft survey, Custom Boarding etc. In any case, Customs clearance for Shipping Bill quantity is always submitted by JSPL much before the ship movement from Anchorage / Pilot Boarding Point to berth at IOB. In view of above concerns and submissions, PPT considers the relaxation in the norms				
Time allowed for draught check (2 times draught check)	1 hour							

	2) Intermediate draft survey has to cater for belt error 3) No. of intermediate draft survey (i.e. 2 times) will always depend on belt error and sea condition for accuracy 4) No. of draught survey to be at vessel discretion. Penalty should be imposed in case of exceeding allowable time for draught survey.	so fixed by PPT for IOB berths as regards to “Time for Loading Clearance” for Coal / Iron Ore Pellet only keeping all other parameters of Berthing Policy for the said berths intact: (i). Time allowed for Loading Clearance for Coastal Vessel to load Coal/Iron Ore Pellets as 45 minutes from the time of “All made fast” instead of existing norm of 30 minutes. (ii). Time allowed for Loading Clearance for Foreign Vessels requiring Coastal conversion to load Coal/Iron Ore Pellets as 70 minutes from the time of “All made fast” instead of existing norm of 60 minutes. Belt error, if any, in loading figure is always covered during final / loading of the ship and survey thereof. Therefore, there is no necessity for any separate intermediate survey. However, in case of exigencies, the same may be done for which penal charges are to be paid by the ship considering the same survey is an additional time than the stipulated 2 nos. of survey allowable for draft check.						
(viii).	The PPT has proposed time allowed for final clearance from the time of completion of loading is as follows: <table><tr><td>Time allowed for final clearance from the time of completion of loading</td><td>1 hour</td></tr></table> In this regard, it is to state that though 1 hour final clearance time is stipulated, it has been noticed that Penalty is calculated by including time after this allowed 1 hour until Pilot boarding. Primarily this one hour is given for the vessel to declare readiness for Sailing. Once Vessel declares readiness for Sailing, Penalty time count must cease from there-on.	Time allowed for final clearance from the time of completion of loading	1 hour	Port ensures that once the vessel declares readiness for sailing within the stipulated time, time for calculation of penalty ceases and detention for vessels after readiness time to pilot boarding time is not considered for penalty.				
Time allowed for final clearance from the time of completion of loading	1 hour							
(ix).	The proposed Gross Ship day output is as follows: <table><tr><td>Gross Ship day output (Tonnes)</td><td>42000 TPD</td></tr><tr><td>Total quantity loaded</td><td></td></tr><tr><td>(Loading compl. time – Loading comm time – stoppages on Port a/c and rain /inclement weather as per SOF)</td><td></td></tr></table>	Gross Ship day output (Tonnes)	42000 TPD	Total quantity loaded		(Loading compl. time – Loading comm time – stoppages on Port a/c and rain /inclement weather as per SOF)		The same are generally based on SOF of the vessel taken from agents and can be verified by them. Discrepancy, if any, may be brought to the notice of PPT.
Gross Ship day output (Tonnes)	42000 TPD							
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	In this regard, it is requested for sharing details of all delays, stoppages on Port a/c and rain / inclement weather upon completion of the vessel for endorsement by the Vessel / Agent.																																																								
3.	Paradip Port Stevedores Association (PPSA) dt. 25.1.18																																																								
(i).	Cargo handling operations in PPT had commenced with a single berth. In due course other berths were constructed and made operational. Infrastructure initially was provided for handling cargo throughput of around 10 million MT. Size of plots, connecting roads to stacking yards, wharf area for carrying out operations by ships crane as designed and developed initially continues to be the same. To keep pace with change of technology and the competition among Ports, development of the infrastructure is badly necessary besides mindset of the personnel engaged in cargo handling operations.	The issues raised are repetitive in nature as was raised by PPSA earlier while the Authority had taken up the fixation of the Ceiling Tariff for the Stevedoring and Shore Handling Operations at Paradip Port. Letter of PPSA vide No. PPSA/104/2017 dated. 31.10.2017, in this regard for which PPT has submitted its views separately vide letter No.TD/TM/GEN-06(XXI)/4428 of 02.12.2017 (copy enclosed for kind reference of the Authority as Annexure- 3) may also kindly be referred in this connection by the Authority. However, in relation to the present issue of the Berthing Policy linked Productivity linked to Incentive/ and Penalty for Dry Bulk Cargo at Paradip Port, at the outset, PPT would like to reiterate its position herein below: PPSA's own admission of increased Port's Cargo handling over the years as can be seen from actual information prepared by PPT in the following table (figures are with gap of every 2 years since 2000-01 till 2016-17 and that of the last FY 2017-18). In view of same increased handling over various years, their allegations of infrastructural bottleneck are false and fabricated ones as otherwise the tonnage handled by the Stevedores may not have increased over the decades. TABLE OF ACTUAL CARGO HANDLED BY STEVEDORES AT PPT <table><tr><th>Financial Year</th><th>Total Cargo Handled by PPT (In MMT)</th><th>Cargo moved by Rail (In MMT)</th><th>Cargo handled by the Stevedores (In MMT)</th><th>Availability of Storage area for Dry bulk cargo (In Lakh sqmtrs)</th></tr><tr><td>2000-01**</td><td>19.90</td><td>12.07</td><td>12.64</td><td>6.50</td></tr><tr><td>2002-03</td><td>23.90</td><td>14.49</td><td>8.07</td><td>8.00</td></tr><tr><td>2004-05</td><td>30.10</td><td>17.96</td><td>12.43</td><td>9.50</td></tr><tr><td>2006-07</td><td>38.52</td><td>26.53</td><td>16.82</td><td>15.00</td></tr><tr><td>2008-09</td><td>46.41</td><td>34.34</td><td>21.86</td><td>17.60</td></tr><tr><td>2010-11</td><td>56.03</td><td>33.32</td><td>22.57</td><td>18.99</td></tr><tr><td>2012-13</td><td>56.55</td><td>34.99</td><td>19.56</td><td>21.50</td></tr><tr><td>2014-15</td><td>71.01</td><td>44.70</td><td>24.55</td><td>19.89</td></tr><tr><td>2016-17</td><td>88.95</td><td>51.48</td><td>28.56</td><td>19.89</td></tr><tr><td>2017-18</td><td>102.01</td><td>53.80</td><td>30.86</td><td>20.66</td></tr></table>	Financial Year	Total Cargo Handled by PPT (In MMT)	Cargo moved by Rail (In MMT)	Cargo handled by the Stevedores (In MMT)	Availability of Storage area for Dry bulk cargo (In Lakh sqmtrs)	2000-01**	19.90	12.07	12.64	6.50	2002-03	23.90	14.49	8.07	8.00	2004-05	30.10	17.96	12.43	9.50	2006-07	38.52	26.53	16.82	15.00	2008-09	46.41	34.34	21.86	17.60	2010-11	56.03	33.32	22.57	18.99	2012-13	56.55	34.99	19.56	21.50	2014-15	71.01	44.70	24.55	19.89	2016-17	88.95	51.48	28.56	19.89	2017-18	102.01	53.80	30.86	20.66
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(ii).	Passing through several hurdles including cyclone and super cyclone, several labour problems, orders of several Judicial forms, the High Power Committee appointed by the Hon'ble Supreme Court and in spite of gradual reduction of manpower, the port has continued to achieve cargo handling records year by year due to cooperation from all connected in the field. The present through put of the Port stands at around 100 MMT though there has been no considerable improvement to the initial infrastructure. Based on the experience in handling cargo in the Port over the decades, PPT is requested to develop the infrastructure to commensurate with increase in the volume of cargo.	**No multipurpose berth capacity requiring conventional cargo handling operation by Stevedores has been developed by PPT after 2000-01. The last multipurpose berth MPB & CO-3 (since mechanized in the year																																																							

		2012) was developed in 2000 and therefore no additional conventional berth capacity created thereafter. However, after 2000 (i.e. after the Super-cyclone of 1999, PPT completely changed/upgraded the port bituminous roads in to Concrete Roads in phases and added/upgraded the Railway Sidings, expanded the storage areas beyond the Old Customs Bond area including strengthening of drainage/illumination in the working areas. The Stevedores allegations that PPT did not add/improve the infrastructural facilities for decades are baseless. In any case, the cargo handled in the conventional method by the Stevedores have gone up from FY 12.64 MMT in 2000-01 to 30.86 MMT in FY 2017-19 primarily for reasons as follows: (i). Increased availability of Cargo. (ii). Availability of adequate storage and infrastructural facilities including (i) induction of Harbour Mobile Cranes, (ii) development of additional storage space by extending the operational area, (iii) concreting the operational roads, (iv) Improvement in Navigational facilities and extended wharf area for handling Panamax, Baby Cape and Cape size vessels at 4 berths (i.e, MPB, CQ1, CQ2, SQ), (v) Introduction of EOL, liaising with ECo. Railway for faster evacuation of cargo by rail, (vi) Introduction of RFID System for quick entry and exit of trucks, (vii) providing additional road weighbridges, (viii) Implementation of ease of doing business initiatives like online berth allotment, online plot allotment, online RFID system, (ix) Providing additional 50 nos. highmast towers to improving the illumination in operational area, (xii) Introduction of uni-flow traffic movement for trucks and trailers, (xiii) addition of 4 nos. of locomotives for rake movement etc. (iii). Increased effort of the Stevedores and the Port Management. Therefore, the allegation of the Stevedores that over the decades the infrastructure has not been created by PPT or the same still remains to be as created only for handling of 5-10 MMT cargo decades ago as well as there has been no drastic improvement in the PPT's infrastructure to accommodate the productivity norms as has been proposed now under the Berthing Policy for Dry Bulk Cargo can't be agreed to. It can be seen from the above Table that in the FY-2000-01, PPT handled total volume of 19.90 MMT of cargo out of which
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		evacuation by Rail was 12.07 MMT. The total storage area for dry bulk handling in the said FY was only 6,50,000 sqm. During FY-2017-18, PPT handled 102.01 MMT of cargo which included the railway handling of 53.80 MMT and the total storage area for dry bulk cargo available was 19,89,315 sqmtrs. The total available storage area created by PPT including the increased rail infrastructure for handling dry bulk cargo (both inward and outward) from 6,50,000 sqm. in FY-2000-01 to 19,89,315 sqm in 2016-17 amply justifies allegations of PPSA's is baseless. Further, PPT while refuting the allegations of Stevedores on the issue of inadequate infrastructure submits that it has been proved beyond any doubt that the Berthing Policy intention of creating capacity out of existing infrastructure through improvement in productivity linked penalty/incentive has been successful at Paradip Port and the Stevedores have played a vital role in achieving the same. In view of above, the allegations of bottleneck in infrastructure need no further explanation by PPT specifically for the fact that in course of interaction with the stake holders including the members of PPSA, PPT not only reduced the initial ship day productivity calculated in May, 2015 but also thereafter in 2017 reduced the same by 8% for monsoon season.
(iii).	The productivity norms contained in the proposal of PPT have been fixed by the Port trust authorities unilaterally, without considering the existing infrastructure. The details of deficiencies and short comings are as follows:	
	1. Inadequate storage space for import cargo as per trade requirement.	In view of the fact stated above that there is no further need to explain the inadequacy in storage area. However, non-availability adequate rakes for clearance of imported cargo from the port by the importers is now a concern (even for last few months) which leads to huge stock pile requiring further high stack in the storage area that affect in ship productivity. This phenomenon is not unique at PPT now as all most all East Coast Ports including the private ports are suffering from this problem. Incidentally, the issue is absolutely beyond the control of PPT as supply of rakes for back loading of imported dry bulk cargo is done by Indian Railways. During the current year, PPT is thus facing a supply crunch of rakes from the Indian Railways as the pending demand for clearance of import cargo by Rail has compounded to above 600 indents now. PPT is hopeful that with the supply of

		indents maturing in course of time, operations in the storage space would not be a constraint for the users. Nevertheless, the Port has been creating temporary storage space from time to time commensurate with the demand of the trade. In view of the above, PPT has deferred the action for disposal of uncleared / overstayed cargo on auction under Section 61 and 62 of the MPT Act, 1963.
	2. Narrow road access to the cargo storage plots.	PPT over the years for improving the intraport transportation of cargo by vehicles, has not only changed the then existing bituminous road by concrete roads, but many such concrete roads have been widened or made 4 lanes with dividers for smooth flow of vehicular traffic. Further, new concrete roads are being added now (connecting direct access to CD plots) within the port but wherever possible, the old roads are being further 4 laned (ATBK - 1 & 2 road). Despite same, PPSA is raising the subject issue as a matter of routine in all forums and discussions, which may be ignored.
	3. Water logging in and around stacking area during rains.	Considering the entire problem of monsoon months, PPT has adequately reduced the Productivity Norms by 8% than the fair season. Nevertheless, it is submitted that as regards the issue of water logging in the plots / drains, the primary responsibility lies with the stevedores who also undertake the IPT work, (storage and receipt of delivery operation of dry bulk cargo of their principals in the port's open storage area) wherein the high stacking during the monsoon all along the stack yard are not adequately covered by Tarpaulins as per the port's norm for which during monsoon the coal slurry flows freely in to the drain resulting in chockage of drains / undergoing in the storage area. PPT has already started working on few drains widening. Despite many circulars and requests made with them with regard to covering of coal stack and giving assistance in cleaning the drains which choked with cargo during heavy rain, the assistance rendered by them is not satisfactory.
	4. Unnecessary detention of IPT dumpers at level crossings / near railway tracks due to frequent rails movement.	With regard to the allegation of PPSA on detention of IPT dumpers at level crossings, it is informed that the referred level crossings / railway tracks and frequent rail movements are prevailing since late 80s and such interruption in operations not caused only from the year 2015, when PPT has initiated various measures for the improvement of productivity in line with the recommendation of the consultant M/s.

		BCG appointed by MoS. It is further submitted that the port infrastructure in conventional handling areas includes roads, railway track/siding and storage area. Normally, the same are interwoven with each other. In view of same, it may be appreciated by the stevedores that the stoppage in dumper in course of transportation of cargo near the rail crossing is not a new phenomenon that has happened due to introduction of present productivity norms. This is an earlier phenomenon and the introduction of Berthing Policy linked productivity norms demand more supervision from the stevedores to see that all bottlenecks in quick re-starting of stranded dumpers at the Railway crossing so that despite such constraints can be minimized to improve the turn round of dumper cycle for evacuation of cargo from wharf. The solution further lies also in reduction of idle time of dumpers as the dumper and their drivers regularly come late for duty 45 minutes in the beginning of the shift and depart early 1 hour before closing of the shift. It may be reiterated that PPSA members engage the dumpers through Dumper Owners Association and therefore they are fully responsible for idle hours of dumpers that affects the ship productivity. However, despite persuasion with the stevedores for close monitoring of dumper movement, the stevedores members have failed to control their own creation of the Dumper Owners Association activities in this regard. For this, at times, even though the ship that they have previously worked has completed unloading and sailed out of the berth, due to delay in evacuation of such cargo from wharf, the work of the incoming vessel is hampered for which PPT has introduced the penalty for delay in evacuation of the cargo from the wharf.
	5. Insufficient illumination inside port operational area during night time.	Illumination in the Port during the night wherever was lacking due to vast infrastructure has been adequately created during the last 2½ years with installation of additional 112 nos. of High Mast lighting towers and 64 nos. of Street lights with an investment of Rs. 7.14 crore.
	6. Non availability of adequate railway rakes for evacuation of cargo.	This is in fact a problem currently as has been stated earlier by PPT and the same is beyond PPT's control and commonly faced in many East Coast Ports now including the private ports. This is one of the reasons why high stacking of cargo is being done which allows storage of additional cargo in the same area despite difficulties.

	7 .Insufficient area on the wharf for easy maneuvering of cargo handling equipment and dumpers.	The authority has been shown some photographs of piles of cargo heaps at the wharf created by the stevedores during the course of unloading without monitoring properly the cargo evacuation which creates inadequate space for maneuvering of cargo handling equipment/dumpers. There is no case of insufficient area on the wharf and the stevedores are themselves to be blamed for their inadequate supervision on wharf clearance that creates such constraints, if any.
(iv).	The proposal for Berthing Policy Guidelines for Dry Bulk Cargo, 2016 was placed and decided by the Board in the absence of representatives of port users in the Trust Board. Because of improper size of the cargo, achieving ship day productivity in respect of Flux as contained in the proposal of the PPT is not possible. Hence the same is required to be revised after physical verification besides conducting appropriate analysis.	
(v).	On various occasions, it has been observed by PPSA that multiple importers cargo is carried in a single vessel. As per the parcel size, survey of the vessel is required as per number of importers. Therefore, levy of penalty in this regard as contained in the proposal is not justified. Further, the time fixed at 30 minutes per survey is inadequate and the same may be enhanced to such time as per actual after due observation in the Port.	
(vi).	The PPT vide its letter no TD/TM/P&L-27/206(Pt.II)/ dated 27.10.2016 had submitted the proposal in the matter of fixation of Ceiling rate for Stevedoring and Shore handling operations at PPT containing productivity norms for geared / gearless vessel for approval of TAMP. Without implementing those productivity norms, PPT have now submitted the present proposal enhancing the productivity norms unilaterally.	
	Additional comments of PPSA vide dt. 8.5.18	
	The port authorities need to improve on the infrastructure basically on the following areas:	
(i).	Inadequate storage space for import cargo as per trade requirement.	Reply to point (i) to (vi) is given above.
(ii).	Narrow road access to the cargo storage plots	
(iii).	Water logging in and around stacking area during rains.	

(iv).	Unnecessary detention of IPT dumpers at level crossings / near railway tracks due to frequent rails movement.										
(v).	Insufficient illumination inside port operational area during night time.										
(vi).	Non availability of adequate railway rakes for evacuation of cargo.										
(vii).	Insufficient area on the wharf for easy maneuvering of cargo handling equipment and dumpers. Considering the difficulties encountered during rainy season, the port trust authorities re-fixed separate norms for rainy season. However, the norms fixed for the fair weather operation is very much in the higher side taking into consideration the operational constraints enumerated above. Out of 102 MMT of cargo handled in the port during last fiscal, around 31.08 MMT cargoes was handled in conventional method. With the existing infrastructure it has been observed that on an average 350 trips of Intraport Transportations per shift is achieved maximum per vessel. Thus, the output per shift is 5250 MT and 15750 MT per day/per vessel. Aspiring for receipt of incentives, stevedores may be prompted to engage more number of Harbour Mobile Crane for better performance in discharge of cargo from the vessel. However, the maximum output in the Intra port Transportation stands limited to 15750 MT per day. Therefore, the concerned stevedores will not be in a position to shift the cargo from berth to the plot and thus have to pay penalty to the Port under the existing provisions. Such a situation will stand as a deterrent and will prompt the concerned stevedore to make a balance between the discharges from the vessel vis-a-vis the shifting of cargo from the berth. It is apprehended that this may result in negatives for the established records pertaining to turn round time of the vessel.										
(viii).	Port Productivity Norms fixed by TAMP and Port are different as under: <table border="1"> <thead> <tr> <th>Coal</th><th>TAMP</th><th>PORT</th></tr> </thead> <tbody> <tr> <td>Geared</td><td>10618</td><td>14000</td></tr> <tr> <td>Gearless</td><td>14665</td><td>15000 (for 1 HMC) % 22000 (for 2 HMC)</td></tr> </tbody> </table> The norms proposed / insisted upon the Port is not achievable due to the reasons explained above. Basing upon our best performance, average output during last two fiscal indicate the following figures. 2016-17 Geared – 11000 (fair season)	Coal	TAMP	PORT	Geared	10618	14000	Gearless	14665	15000 (for 1 HMC) % 22000 (for 2 HMC)	The issue has been earlier adequately explained vide PPT's letter No. No.TD/TM/GEN-06(XXI)/4428 of 02.12.2017 Nevertheless for the sake of repetition, the following are submitted further herein below: The basic objective of Performance Standard as indicated in SOR is different to that of Productivity Norms fixed for Berthing Policy linked with penalty/incentive. In most of the Major Ports where the approval has been given for Berthing Policy, the same have differences in Berthing
Coal	TAMP	PORT									
Geared	10618	14000									
Gearless	14665	15000 (for 1 HMC) % 22000 (for 2 HMC)									

	Gearless – 12000 (fair season) – working with 1 HMC. 2017-18 Geared – 10700 (fair season) & 7000 (Monsoon) Gearless – 15000 (fair season) & 12800 (Monsoon) – 1 HMC Gearless – 19000 (fair season) & 17000 (Monsoon) – 2 HMC	Policy Performance Norms to that of Performance Standard published in the SoR. It is a fact that the performance parameters have been notified by TAMP in the approved SoR of PPT under New Tariff Fixation Guideline of 2015. The aforesaid performance parameters include a limited variety of cargo including POL (where Stevedores have no role to play) as well as the average Pre-Berthing Detention (PBD) and TRT of vessels in the Port so that the Port upon achieving the said performance parameters will be entitled for escalation of its Tariff hike linked to WPI. Ministry of Shipping has directed all the Major Ports to work out the Productivity Norms as outlined in the Berthing Policy and the prescribed methodology for fixation of norms which should be same for of the Stevedoring & Shore Handling Policy (under Clause No.7.3. of Berthing Policy). Strictly speaking, the present Productivity norms under the Berthing Policy and the methodology for deriving the norms for same would be taken as the Productivity norms for the Stevedoring & Shore Handling Policy. PPT, in fact, upon stabilization of the present Berthing Policy norms as rolled out (with consensus upon discussion with the Port Users) would consider migrating the same as the Productivity norms for the Stevedoring & Shore Handling Policy in future. However, the productivity norms for various cargo under Berthing Policy was worked out as stated earlier was circulated to all stakeholders upon mutual discussion on 22.05.2015, 14.10.2015, 15.12.2015, 05.07.2016, 08.07.2016, 17.10.2016,12.01.2017 and 07.07.2017. During the meeting held on 12.01.2017 to finalize the productivity norm, the stakeholders stated the proposed productivity norm for conventional handling is not achievable and requested to fix realistically. After prolonged discussion, consensus was arrived at in fixation of such productivity norms for various cargo and implemented w.e.f. 15.01.2017. As stated, PPT has fixed productivity norms as per Berthing Policy which is questioned by PPSA stating that it supersedes TAMP approved SoR norms. In this context, it is submitted that the berthing policy is to regulate performance of vessels at berths with an intention to meet the objectives to (i). Provide a standardized framework for calculation of norms, specific to the commodity handled and the
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		infrastructure available on the berth (ii). Design norms with the objective of driving higher productivity and achieving near-design capacity of the available equipments/infrastructure in order to reduce berthing time & overall turn-around time of ships; drive higher cargo throughput using the available infrastructure in the Major Ports.
(ix).	IOHP / MCHP system breakdown like (tipper, belt, un-loader etc.) are also not taken into consideration for the purpose of cancellation of berth hire charges.	While the TAMP approved General guideline provides the same in the SoR of PPT including Berthing Policy Guideline of MoS for Dry Bulk cargo, such specific issues, if any are there, may be disused by the PPSA members at the Port level.
(x).	Proposal for Multiple penalty to be imposed by PPT such as (i). At loading / unloading from vessel - as per productivity norms fixed by port. (ii). Again cargo evacuation from jetty- after 4 hours completion of vessel stevedores again have to pay for the penalty charges.	While the stevedores must appreciate that neither it is the intention of MoS (while formulating the policy nor while specific berthing policy was created) nor of by the concerned Ports to impose penalty only on the stevedores. It may be submitted that the stevedores are only responsible for payment of penalty for their poor work for handling of cargo on ship conventionally for the evacuation of cargo from the wharf and for prompt loading / unloading of wagons / truck. They are neither penalize for loading/unloading of the ships at the mechanized berths or for any delay in survey etc. at the conventional berths for which the vessel or vessel's agent is being penalized. If a Stevedore can become an Agent of a vessel that he is handling, it may not be forgotten that they are functioning two roles for which they have to pay penalty twice. In any case, while failure will lead to penalization, for the good work done by the stevedores, PPT has taken an aggressive stand in formulation of equal rate of incentive though the policy envisages that the incentive should be one third of the penalty.
(xi).	The Port Authorities to review on implementation of Productivity norms that it commensurate with the progress made in improving the port infrastructure in relation to the above areas. Port authorities also should refrain from penalizing stevedores for non clearance of cargo from wharf after 4 hours on sailing of the vessel as it is only adding to the costs. Further, during the joint hearing on 24.04.2018 PPT has expressed that port productivity have been increased due to penalty imposed by PPT for Berth clearance after 4 hours of the sailing of the vessel which is not a fact rather productivity has been increased due to reduction in Berth idle period. PPSA is requesting to visit PPT to	

	ascertain the factual position before implementing and arriving at a final decision. The port is presently working at its peak and all improvements in terms of productivity can further be achieved with improvement in the port infrastructure. The Port authorities should initiate appropriate action to address the aforesaid issues on war-footing so as to look for the improved productivity.	
(xii).	Penal Plot Rent why it is applicable? After 90 days?	Penal plot rent is a deterrent provision for long storage of the cargo in the Port. The same has been duly approved by the Authority in the PPT SoR.
(xiii).	Besides above, our Principals, i.e. Importers & Exporters are imposing penalty on Stevedore / Handling Contractor	Incidentally, the present norm has been made applicable in consensus with the users [which not only included the importer and exporters but also the Stevedores (including the members of PPSA) as the Service Providers to them]. During the period between 15.01.2017 to 31.03.2018, out of 1063 vessels worked by the Stevedores in conventional handling, in case of 525 vessels (comprising of 49%) have earned incentives of Rs. 3,95,61,270/- compared to 538 vessels (comprising of 51%) have paid penalty of Rs. 3,56,08,860. In view of above, there is a fair degree of consideration in the existing proposal of the PPT which may kindly be approved by the Authority.
4.	NTPC Tamil Nadu Energy Company Ltd (NTECL)	
(i).	The vessels, being chartered by NTECL through Poompuhar Shipping Corporation Ltd (PSCL) are generally owned by Indian owners. These vessels available in the Indian coast for coastal movement of coal are old vessels that may not be able to achieve the stipulated norms. Therefore, it is requested that the norms may be reviewed and a reasonably achievable norms to be fixed based on the performance data of the vessel in CB 1 and 2 and IOB at PPT from 2016. One of the factor that affect the performance is the de-ballasting of the vessel. D-ballasting and loading rate by the mechanical loader at Mechanized coal berths (CB 1 and 2) and IOB are to be matching to avoid stresses on the vessel. Such being the case, there has to be mechanism to separate the additional time taken because of vessel and that by PPT.	NTECL has mentioned that the vessel chartered by them for loading Thermal Coal are old and therefore they may not achieve the stipulated load rate due to problems of deballasting either in CB-1 or CB-2 or at IOB matching the load rates of mechanical loaders at PPT. They have also stated that the Port needs to reconsider the load rate to avoid stress on the vessel. <u>Mechanised Coal Handling Plant (MCHP)</u> In this connection, while PPT appreciates the value of its customers like NTECL, it may be appreciated by its users also that the MCHP (CB-1 CB-2) loaders have designed capacity of 4,400 TPH and with an effective loading capacity of 4000 Tons Per Hour (TPH). In the past, due to various problems on the ships (whether old or new) placed by the exporters of Thermal coal , PPT was not in a position to optimize the utilization of the loading/berth capacity and thereby due to poor load rate on one ship, other Thermal Coal ships used to wait and incur demurrage including those of NTECL. Incidentally, prior to conceiving the productivity linked penalty structure at PPT

for CB-1 & CB-2 berths (MCHP), during FY 2014-15 the average load rate per hour was 1370 TPH against the working load capacity of 4,000 TPH which resulted in gross ship day average productivity of 32,880 MTs. per day.

In the above backdrop, PPT considered it prudent to fix the norms for various factors viz. Delay in Loading Clearance, Restriction in number of Hatch Changes/ Draft Checks, Deballasting Time, Final Clearance of ship to sail after completion of loading etc, which are affecting the productivity of ships at CB-1 & CB-2. The same was discussed with the Port Users on 14.10.2015 and implemented with mutual consent w.e.f. 01.11.2015.

It is pertinent to mention here that **PPT rolled out the Penalty Linked Productivity Norms for MCHP (taking into various concerns raised, discussions thereof in the meeting) on 01.11.2015; i.e. much before the Berthing Policy for Dry Bulk Cargo was issued by the Ministry of Shipping (MoS) in June, 2016.**

Since implementation of the norms in November,2015, there has been marked improvement in reduction in various factors of non-working time of the vessels at these berths that led to overall improvements in the ship day productivity, Pre-Berthing Detention (PBD), Turn Around Time (TRT) as well as reduction in berth occupancy as furnished below:

Performance of CB-1 & CB-2(MCHP)		2014-15	2015-16	2016-17	2017-18*
Qty. handled (MMT)		21.15	23.68	19.58	22.13
Gross Productivity	TPH	1370	1685	2284	2144
	SBDP	32360	39753	54843	46754
Berth Occupancy (%)		89.18 %	81.1%	50.99 %	62.73%
PBD (in hrs.)		55.12	53.90	51.21	7.63**
TRT (in days)		4.07	3.75	3.35	1.74

**Performance includes handling of Iron Ore Pellets of apprx. 0.8 MMT in 2017-18. ** Excluding the PBD on non-port account for 2017-18.*

It can be seen from the above that though the Gross Productivity in terms of Tonnes Per Hour (TPH) as well as the Ship Berth Day Productivity (SBDP) at MCHP has improved substantially leading to reduction in overall Berth Occupancy, PBD and TRT, but there is still scope for further

		improvement to achieve the productivity/load rate fixed as per the norms. Further, as per the demand of the users, along with the initial Penalty based productivity norms, <u>PPT also rolled out Incentive Scheme for MCHP w.e.f. 25.08.2017 primarily to see further improvement of performance of ships at the MCHP to achieve the desired norms.</u> It is also brought to the notice of the authority that the consultant M/s. BCG has also recommended various measures for implementation on the above lines. Therefore, at this juncture, it will be inappropriate to change the existing norms and Berthing Policy for the Thermal Coal ships handled at MCHP (CB-1 & CB-2) as the proposed Productivity Norms is of mutual benefit to Port & its Users. <u>IRON ORE BERTH (IOB)</u> With the above experience, on 25.08.2017 PPT rolled out the Berthing Policy linked to Penalty & Incentive Scheme for Iron Ore Berth (IOB) and it is expected that the scheme will greatly benefit the users of IOB in coming days. It may be added that the IOB is primarily a berth for loading Iron Ore and against the plant rated loading rate of 2500 TPH, the Gross Shipday Output for Iron Ore loading has been fixed as 42,000 Tonnes per day, i.e. 1,750 TPH (Gross average). However, with a view to facilitate value added services to Thermal Coal exporters like NTECL, TANGEDCO etc. and with a view to effectively utilize the potential berth capacity in absence of adequate Iron Ore cargo for handling, the present scheme for loading of Thermal Coal @ 1,000 TPH (i.e. Gross Ship Day Output of 24,000 Tonnes per day) through IOB has been included in the Berthing Policy for dry bulk cargo and the same will be reviewed subsequently based on the performance achieved.
(ii).	The time taken for shifting the mechanical loader from one hatch to another during the loading has to be separately accounted in the calculation of norms.	In the extant norms for CB-1, CB-2 and IOB number of hatch changes allowed to maintain the vessel's stability has been taken by PPT is as follows: (i) Panamax Vessel : (No. of hatches x 2+1) (ii) Handymax/Supramax vessel : (No. of hatches x 2+1) In other words, the time taken for allowed number of hatch changes has been excluded as a part of the norm. The time taken for shifting of mechanical

		loader from one hatch to another during the loading is a part of the available operational time and has not been separately accounted by PPT as idle time (though the same has been conceived in the Berthing Policy) for the calculation of norms. In this regard, it may be stated that while the CB-1 & CB-2 rated Thermal Coal loading capacity is 4000 TPH, but considering the fact that there would be a requirement of hatch changing (where each change over takes approximately 10 – 15 minutes), the average load rate has been scaled down to 3000 TPH (in case of a Panamax vessel) and 2500 TPH (in case of a Supramax/Handymax vessel). It may be added further that if the hatch change over linked loader shifting time has to be taken out for calculation of productivity, then the vessel has to agree for a load rate proportionate to 4000 TPH in all cases of Panamax, Supramax or Handymax type vessels, else the berth rated capacity would be grossly underutilized. For the sake of clarification, it is further submitted that any breakdown of the mechanical loader or mechanical plant and other factors of inclement weather etc. for which the loading could not be done in normal course though as provided in the Berthing Policy guideline, the same breakdown times or idle times are excluded by PPT for practical reasons for calculating the achieved ship day productivity. In view of above, the concern raised by NTECL on the issue does not have any merit for consideration.
(iii).	Hatch changes required, if any, because of stability of vessel is being affected, should be separately accounted and not to be considered as part of norms.	As already stated above, PPT has carefully analyzed various activities of the vessel operations, and categorized the activities which are part of the operation and activities which are affecting the operation or considered as idle hours. Hence if the hatch changes are exceeding the stipulated number, the vessel is liable for payment of penalty.

(iv).	The availability of conveyor at the rated speed to achieve the norms being stipulated as per berthing policy has to be ensured by PPT and has to be considered for fixing the norms.	It is brought to kind notice of the authority that though the effective loading capacity is 4000TPH at MCHP, considering the various aspects of the operation like availability of conveyor at rated speed, it has been reduced to 3000TPH for Panamax size vessel and 2500 TPH for Handymax/Supramax vessel for calculation of norm. Consequent to the introduction of the Berthing Policy linked to incentive and penalty norms, the performance of Thermal Coal vessels served at CB-1 & CB-2 (where NTECL vessels are also regularly worked), not only the vessel productivity has improved but the overall TRT of vessels has come down from 4.0 days (2014-15) to 1.7 days (2017-18) thereby the vessels at the said berth have saved on an average of 2.3 days at PPT. At the current market rate of approx.11,000 USD as Charter hire per day, the average saving per vessel in a trip at PPT for Thermal Coal comes to approx. 25,630 USD (i.e. apprx. ₹.16,91,580/-@ 1 USD = ₹.66.00) which translates to ₹. 24.16 per tonne of saving for a Panamax vessel with 70,000 tonnes of load.
(v).	NTECL has long standing relationship with PPT and is a large customer in the port. Being public utility engaged and power generation, any increase in cost of coal shall influence the cost of generation and may affect the merit order rating of the station.	In view of above, the above performance improvement in introduction of penalty linked productivity norms has not only improved the Port efficiency parameters but also the charterers/ the exporters have benefited in saving of precious waiting time at PPT which has a direct bearing on the lower cost of production of power contrary to any increase in cost of production of power (as has been stated by NTECL). Accordingly, the Authority is requested to take note of the above submissions of PPT in response to issues raised by NTECL and approve the extant Berthing Policy of PPT for CB-1/CB-2 and IOB.

1.2. One of the users i.e Rawmet Resources Pvt Ltd (RRPL) has stated that performance of the port mainly depends on the capabilities of handling agent / stevedores and proper infrastructure of the port. In view of this, RRPL has stated that they do not have role to play or contribution towards performance as they purely depend on the infrastructure of the port and capabilities of licensed / authorized handling agents / stevedores of the port.

2. A joint hearing in the case in reference was held on 24 April 2018 at the PPT premises. At the joint hearing, the PPT has made a brief power point presentation of its proposal. The PPT and the users have made the following submissions:

Paradip Port Trust

- (i). PPT has handled a traffic of 102 million tonnes during the year 2017-18 as against the traffic of 89 million tonnes in 2016-17.
- (ii). We have been able to handle increased cargo with the same facility, only because the port has taken actions to improve the efficiency and productivity parameters. The users have also been instrumental in supporting the port in its endeavor.
- (iii). Even before the Berthing Policy was introduced by the Government in 2016, the PPT in 2015 itself had devised a policy to improve the efficiency and productivity of the port.
- (iv). In 2015, we analysed all factors affecting the productivity of the vessels viz., loading rate, vessel characteristics, survey time, non-working time, grab size, hooks etc., and evolved a policy of levy of incentive/ penalty. This was discussed with users and introduced in the port.
- (v). With the introduction of the scheme at PPT since 2015, there has been an increase in the no. of vessels handled, increase in the ship berthday output and reduction in turnaround time of the vessels. This has enabled the port to increase in the cargo throughput, with the available facilities.
- (vi). Our proposal is different from the Berthing Policy of the Government. We request TAMP to approve our proposal, wherein we have proposed to continue with the existing system in vogue.
- (vii). By infrastructure, they mean roads. We have always taken steps to improve the infrastructure of the port. We have completed one road. We are going to complete another road in 15 days. We carried out illumination, extended wharf areas, done concretization of roads and introduced RFID etc.
- (viii). The users can approach PPT in respect of any action to be initiated by the port to improve the infrastructure. We will take necessary action.
- (ix). During the last year we have paid incentive to the tune of ₹ 3.95 cr. and levied penalty to the tune of ₹ 3.65 cr. Our aim is not to generate revenue from the levy of penalty/incentive, but only to bring some discipline amongst the users. Penalty is not at 3 times of berth hire as per Berthing Policy.
- (x). We have not followed the Berthing Policy in toto. In berthing policy the productivity parameters are very much high. Our scheme is very much user friendly. We are trying to strike a balance between port interest and user's interest. Penalty is not linked to Berth hire charges. It is in absolute term. The average Turnaround Time and Berth Day Output has improved. This objective of Berthing Policy is served. If the

proposal is as per Berthing Policy, impact on users will be huge. Please approve our proposal.

- (xi). Objection of the users for uniform productivity during monsoon and fair season was genuine. Therefore, we considered lower productivity for monsoon. No port has done it. This itself shows that we have kept in view users interest.
- (xii). Levy of anchorage would lead to diversion of vessels to neighboring non major ports. Calculation of Turnaround time on port account would exclude waiting time of ship at anchorage as per the letter issued by IPA at the behest of Ministry.

Poompuhar Shipping Corporation

- (i). With regard to loading clearance time for the vessels working at CB 1 & 2, for the coastal vessel, the time may be prescribed at 45 minutes instead of 30 minutes, now proposed by PPT. For foreign vessels requiring coastal conversion, the proposed time of 60 minutes may be reduced to 45 minutes.
- (ii). Further, penalty should not be levied in the event of delays occurring due to weather conditions and shore delay.
- (iii). We agree to the other aspects of the PPT proposal.

TMILL

- (i). Penalty has been proposed at each and every level of operation. It is requested that one penalty be levied for the entire operation.
- (ii). The productivity norms contained in the proposal of PPT have been fixed by the PPT unilaterally, without consulting us and without considering the existing infrastructure.
- (iii). There is delay in evacuation of cargo due to non-availability of sufficient rakes. Why should we be penalized for factors for which we are not responsible?

PPSA

- (i). The productivity norms has been proposed by the PPT on its own. No stakeholders were consulted on this.
- (ii). Penalty has been proposed on so many aspects. This will increase our costs.
- (iii). Impression has been created that productivity has improved because of penalty. Considering the present infrastructure, there are bottlenecks in evacuation of cargo from wharf to plot. Discharge rate at berth is more than evacuation rate. Penalty is imposed for bringing more vessels. The proposal of PPT is not user-friendly.
- (iv). We neither want incentive nor levy of penalty.
- (v). The port has already implemented the scheme even when it has not been approved by TAMP.
