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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 406

New Delhi,

15 November 2016

NOTIFICATION

In exercise of the powers conferred by Section 48 & 50 of the Major Port Trusts Act, 1963, (38 of 1963), the Tariff Authority for Major Ports hereby approves the norms for Performance, Incentive/Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at Haldia Dock Complex (HDC) on adhoc basis as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/59/2016-KOPT

Kolkata Port Trust

QUORUM

Applicant

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

ORDER

(Passed on this 25th day of October 2016)

This case relates to the proposal dated 19 September 2016 received from Kolkata Port Trust (KOPT) for approving the norms for Performance, Incentive/Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at Haldia Dock Complex (HDC).

2. The Ministry of Shipping (MOS) under cover of its letter dated 16 June 2016 has forwarded the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016 and has requested all the Major Port Trusts to take action.

3.1. Accordingly, the KOPT has filed its proposal for approving the norms for Performance, Incentive/Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at Haldia Dock Complex (HDC).

3.2. The KOPT has stated that, the Board of Trustees of KOPT has approved the performance and penalty/incentive norms as well as levy of anchorage/ penal charges on trial basis for a period of 6 months and review the same thereafter.

3.3. The KOPT has further stated that as per Ministry's letter, the ports were required to implement the norms with actual incentives and penalties, within the stipulated timeline viz. 20 August 2016, which is over. The Board has, therefore, approved to effect the said norms from 1 October 2016 after submission of proposal to the Authority. In view of the above, the KOPT has requested to approve its proposal with effect from 1 October 2016, pending formal approval of the Authority on the proposal.

4.1. With regard to the request made by KOPT for adhoc approval, it is relevant to draw reference to Clauses 5.7.3 to 5.7.4 of the Working Guidelines issued to operationalize the Tariff Policy, 2015.

4.2. As per Clause 5.7.3. and 5.7.4 of the Working Guidelines, with the submission of proposal, the port can simultaneously levy the proposed rate on an adhoc basis in consultation with the concerned users, till the rate is finally notified.

5.1. Accordingly, the proposal filed by KOPT is to seek approval for the norms for performance, incentive/penalty, anchorage charges in respect of Dry Bulk Cargo handled at HDC, based on the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016, issued by the MOS.

5.2. In compliance of clause 5.7.3 of the working guidelines, with the submission of the proposal, the KOPT has sought approval of the proposed norms and conditionality thereof with effect from 1 October 2016. The Trade has been notified by the KOPT of the implementation of the proposal with effect from 1 October 2016.

6. The proposal filed by KOPT has been taken on consultation. We are in the process of receipt of comments from the users. A joint hearing on the case in reference is yet to be held. Thus, it may take some more time for the case to mature for the final disposal of this Authority.

7. In view of the above position and considering that KOPT has proposed implementation of the norms with effect from 1 October 2016, this Authority is inclined to grant adhoc approval to KOPT for introduction of performance and penalty/incentive norms as well as levy of anchorage/ penal charges with effect from 1 October 2016 as per Schedule attached as **Annex – I**.

The interim arrangement so approved in an adhoc basis is subject to final approval of this Authority based on the consultation proceedings on the case in reference. If the interim arrangement adopted in an adhoc basis is found to be excessive, the KOPT shall refund the excess collection made till the effective date of implementation of the final Order without interest.

(T.S. Balasubramanian)
Member (Finance)

SCHEDULE OF NORMS FOR PERFORMANCE, INCENTIVE/ PENALTY FOR HANDLING OF DRY BULK CARGO BY CONVENTIONAL METHOD AT BERTH NO. 9 OF HALDIA DOCK COMPLEX (HDC) AND LEVY OF ANCHORAGE CHARGES AT THE REPORTING STATIONS/ LIGHTERAGE POINTS:

1. Performance norms for loading / unloading of various dry bulk cargo at HDC

1.1. Performance norms:-

- 1.1.1. For fixation of performance norms for unloading of dry bulk cargo in conventional methods using ships gears the average crane cycles per hour and average picking factor have been considered as 12 and 0.75 respectively as dry bulk cargo carrying vessels are always calling HDC with 35% to 40% of the full load quantity due to draft constraints.
- 1.1.2. In the above premises, the average ship day productivity of various dry bulk commodities handled through ship's cranes at Berth No-9 of HDC, considering four working cranes per vessel and 22.5 hours working time per day, will be as given below:

Sr. No.	Commodity	Average crane cycles per hour	No. of cranes per vessel	Grab size in CBM	Performance Norms	
					Ship-day productivity for the first year after the date of its introduction (in MT per vessel per Day)	Ship-day productivity beyond the first year after the date of its introduction (in MT per vessel per Day)
1	Coal	12	4	12	6225	8300
2	Met Coke	12	4	12	5850	7800
3	Limestone	12	4	12	10275	13700
4	Manganese Ore	12	4	10	7350	9800
5	Iron Ore	12	4	8	9750	13000
6	Fertilizer	12	4	12	6000	8000
7	Cement linker	12	4	12	10950	14600
8	Gypsum	12	4	12	10950	14600

Note:

- (i). The above ship-day productivity will be applicable on the basis of the average availability of four cranes per vessel. However, if the availability of the number of cranes gets reduced the productivity of the ship will also get proportionately reduced. Similarly, if the grab size is less than or more than 8/10/12 CBM then the productivity norms will be reduced / increased proportionally.
- (ii). Apart from the above commodities, if other types of dry cargo are handled then the performance norms will be calculated separately by port as per the approach adopted for the above said performance norms.

1.2. Penalty/Incentive:-

- 1.2.1 The stipulated time for a vessel's stay at berth will be calculated based on the stipulated performance norms as mentioned above.
- 1.2.2. For failure or success in achieving the stipulated time at berth, penalty / incentive will be applicable as per the provision given below:

- (i). It the actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) remains within 5% (higher or lower) of the stipulated time for that commodity, then no penalty / incentive will be levied / paid.
- (ii). In case where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) exceeds 5% of the stipulated time for that commodity, penalty will be levied 2 times of the normal berth hire charges for additional hours taken to complete the ship's cargo operation.
- (iii). In cases where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) is lower than the stipulated time by more than 5% of the same then incentive will be paid at the rate of berth hire charges for every additional hour saved.

Note to provisions regarding Penalty/ Incentive Norms:

- (i). For the purposed of calculation of time for computation of penalty / incentive, fraction of an hour will be considered as full hour.
- (ii). In computing actual performance achieved by each ship for the purpose of calculating penalty / incentive and stoppage of operation on account of port related or weather related issues will be discounted. Such exclusions are listed below:
 - (a). Breakdown / non-availability of port provided equipment at berth.
 - (b). Weather related stoppage.
 - (c). Shifting of ships between berth on account of port.
 - (d). Time consumed for each draft surveys upto a maximum period of 30 minutes.
 - (e). Time lost due to stoppage of work for any other reasons will be excluded for calculation of performance norms, only with the approval of the Chairman.

2. Levy of Anchorage / penal charges at the reporting stations / lighterage points:

- 2.1. Even after calling the vessel and allocation of pilots by port, the vessel refuses to call at the port or lighterage point due to the reasons attributable to the vessel/ exporter, then Anchorage charges will be levied by port at the following rates:

Idling Time	Applicable penal charges
For first 48 hours after calling the vessel	10% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called
After 48 hours & upto 96 hours	25% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called
After 96 hours till boarding of pilot	50% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called

- 2.2. Idling period is to be considered from the time when the vessel is initially called till actual pilot boarding time.

- 2.3. In addition, penalty is also proposed to be imposed at the following rates for idling of vessels at Saugar and other lighterage points where the vessel(s) are scheduled to lighten their cargo for achieving Haldia draft.

Idling Time	Applicable penal charges
For first 48 hours	25% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof.
More than 48 hours	50% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof for the entire period.

- 2.4. The record pertaining to idle time will be maintained by Harbour Master (River), KOPT, since the related bills are raised from KDS end.
- 2.5. However, the port can exempt vessels from paying anchorage charges in exceptional circumstance and the same will require approval of the Chairman.
3. The performance and penalty/ incentive norms as specified above and levy of anchorage/ penal charge at the lighterage points as specified above will be effective from 1 October 2016.
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