

TARIFF AUTHORITY FOR MAJOR PORTS

NOTIFICATION

GNo: 35

New Delhi,

1st July, 1998

In exercise of the powers conferred by Sections 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby issues an order about classification of vessels as 'coastal' or 'foreign going' for fixation of tariff.

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ORDER

This case arises out of an application made by the Chennai Port Trust proposing some modifications in the criteria for distinguishing vessels as 'coastal' or 'foreign going' for tariff purposes.

2. Since this is a matter of common concern to all the Major Ports, the issue has been examined in consultation with the Director General of Shipping. The Director General of Shipping has recommended the conversion of a foreign going vessel (whether under Indian flag or foreign flag) for coastal runs must be permitted since such a facility will make for a larger availability of ships for coastal operation. If the associated cost in shipment of goods by coastal ships is high, the shippers will be less motivated to employ ships for coastal traffic. Based on this logic, he has recommended easy convertibility subject, however, to certain conditions.

3. Accepting the opinion of the Director General of Shipping, and bearing in mind the unexceptionable demand for a uniform approach in this regard, this Authority prescribes the following system of classification for common adoption by all the major ports:

- (i) A foreign going vessel of Indian flag having a General Trading Licence can convert to coastal run on the basis of a Customs Conversion Order.
- (ii) A foreign going vessel of foreign flag can convert to coastal run on the basis of a Coastal Voyage Licence issued by the Director General of Shipping.

- (iii) In cases of such conversion, coastal rates shall be chargeable by the load port from the time the vessel starts loading coastal goods.
- (iv) In cases of such conversion coastal rates shall be chargeable only till the vessel completes discharging operations; immediately thereafter, foreign going rates shall be chargeable by the discharge ports.
- (v) for dedicated Indian coastal vessels having a Coastal licence from the Director General of Shipping, no other document will be required to be entitled to coastal rates.

S. SATHYAM
Chairman