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**TARIFF AUTHORITY FOR MAJOR PORTS**

**G. No. 53**

**New Delhi, 26 March, 2004**

**NOTIFICATION**

In exercise of the powers conferred by Section 49 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal of the Mormugao Port Trust for an upward revision in the berth hire and anchorage charges as in the Order appended hereto.

**( A.L. Bongirwar )**  
Chairman

**Tariff Authority for Major Ports**  
**Case No. TAMP/55/2003-MOPT**

**Mormugao Port Trust**

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**Applicant**

**ORDER**

(Passed on this 15th day of March 2004)

This Authority had passed an Order on 17 March 2003 introducing hourly berth hire charges at all major ports trusts w.e.f. 1 June 2003 (except CHPT and TPT where it was already introduced earlier). In the said Order, this Authority had, inter alia, made the following observations:

*"The issue raised by some of the ports about the requirement of adjustment of rates in view of cost plus method adopted deserves consideration. The reduction in the revenue on account of the proposed arrangement, if any, will only be a temporary phase. The actual financial position of a port will be reviewed at the time of next general revision of the tariffs at the respective port. If an internal review carried by the port reveals any major financial loss due to the proposed arrangement, such port can come up with a proposal for revision of the existing vessel-related charges ahead of schedule".*

2. In this backdrop, the MOPT had initially forwarded a copy of the proceedings of its Board meeting held on 30 June 2003 and requested to approve the proposed rationalisation of the Berth hire/anchorage charges. The following points were made by the MOPT in the said letter:

- (i). An exercise was carried out based on the vessels handled at the berths/stream during the year 2002-03 and the existing rate of berth hire & anchorage after implementation of the hourly rates. The differential loss of revenue comes to Rs.138.55 lakhs per annum.
- (ii). It is proposed to rationalise the Berth hire and Anchorage charges by way of an upward revision by 9.92% and 5.05% respectively to set off the losses subsequent to change in the unit of charge from 8 hours to per hour.
- (iii). It is also proposed to make additions to Notes common to Section C(i) and C(ii) to the effect that the vessels remaining idle at the Mooring Buoys/Dolphins or alongside the transhipper shall be treated as vessel engaged in loading/unloading of cargo or embarking/disembarking passengers and charges are levied as prescribed in item 2 under Section C(ii) relating to Anchorage charges in the Scale of Rates of the MOPT.

3.1. Since the MOPT had forwarded only the proceedings of its Board meeting without any supporting facts and figures, they were requested to submit proposal in the prescribed Proforma with cost details and justifications.

3.2. The MOPT has vide letter dated 8 September 2003 furnished its proposal in the prescribed Proforma with cost details for the FY 2002-03 and 2003-04 alongwith the statements showing Berth hire and Anchorage Income on 8 hourly vis-à-vis hourly basis for the year 2002-03 to justify the proposed upward revision in the Berth hire and anchorage charges.

3.3. The MOPT also informed that the proposed rationalisation is only to set off the losses subsequent to reduction of unit of charging Berth hire/Anchorage charges and not to increase tariff.

4.1. While acknowledging receipt of the proposal, the MOPT was requested to furnish a statement showing impact on the revenue earned from Berth hire and Anchorage charges on 8 hourly basis and hourly basis for the period from June 2003 to 30 September 2003; and also, to forward detailed working of the estimated income for 2003-04.

4.2. In response, the MOPT has in addition to reiterating the points made earlier, stated the following:

- (i). The statement showing differential loss of revenue on account of reduction of unit of charge from 8 hours to one hour works out to Rs.20.03 lakhs for the period from 1 June 2003 to 30 September 2003 and the asking rate of upward revision is 8.34% and 2.74% in respect of berth hire and anchorage charges respectively.
- (ii). It is not correct to decide on this subject based on the working result of only 4 months i.e., June to September. The number of vessels handled during the period is comparatively less on account of monsoon / shutdown period for MOHP. Therefore, the proposed upward revision by 9.92% of hourly berth hire charges and 5.05% of hourly anchorage charges may be considered.

5.1. In accordance with the consultative procedure adopted, the proposal was forwarded to concerned user organizations for their comments.

5.2. A copy each of the comments received from the users was forwarded to the MOPT for comments / information. In response, the MOPT has furnished its observations.

6. A joint hearing in this case was held on 16 January 2004 at the MOPT premises in Goa. At the joint hearing, the MOPT and the concerned users have made their submissions.

7.1. As agreed in the joint hearing, the MOPT was requested to furnish the following additional information:

- (i). Details of vessels handled during 2001-02 and 2002-03 which had continued to stay at berth for the entire block of 8 hours even after completion of job in between.
- (ii). (a). Actual financial implications of hourly rate for the period June - December 2003.  
(b). Vessel traffic in GRT for the corresponding period projected at the time of the last general revision and that actually achieved.

7.2. The MOPT has furnished the following information:

- (i). A detailed statement of the vessel handled during the year 2001-02, 2002-03, 2003-04 ( up to December 2003) indicating the vessel's stay at berth after completion of their operation, which is mainly on account of bunkering, fleshing of lines, minor repairs to ship, tidal condition and inclement weather. Even after the introduction of hourly rate from 1 June 2003, 50 vessels stayed at berth beyond 4 hours and less than 8 hours during the period of 7 months (June to December 2003) as against 75 vessels during the year 2002-03. Therefore, it may not be correct to say that the vessels tend to stay just because they have to pay berth hire for the period of 8 hours and they vacate quickly after the introduction of the hourly rates. No vessel will overstay at berth as they have to incur other costs.
- (ii). The financial implication due to change over to hourly rate from 8 hrs. basis for the period from June to Dec 03 is Rs.55.84 lakhs in berth hire and Rs.5.68 lakhs in anchorage charges. The percentage increase required to offset the losses has increased to 9.73% and 3.40% for the period June to December

2003 respectively. The asking rate will increase further up to the period of March 2004. Therefore, it may not be desirable to decide on this subject based on the working result of only 7 months and hence, proposed upward revision by 9.92 % and 5.05% of hourly berth hire and anchorage may please be considered and sanctioned.

- (iii). At the time of the last general revision, vessel traffic in GRT was projected based on the figures of Revised estimates (2001-02) and Budget Estimates (2002-03). The GRT achieved during the year 2001-02 to 2002-03 vis-à-vis the projections are given below:

Particulars	Projection		Actual	
	Revised Estimates 2001-02	Budget Estimates 2002-03	2001-02	2002-03
	Traffic (in lakh tones)	204.00	212.00	229.27
No. of vessels	600	610	597	626
Total GRT (in lakh tones)	156.22	161.13	167.37	163.82

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 are also available at our website [www.tariffauthority.org](http://www.tariffauthority.org).

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

- (i). The proposal is to increase the unit rate of berth hire / anchorage fee in order to off-set the revenue loss to the port due to introduction of hourly charges ordered by the Authority w.e..f. 1 June 2003. The proposed increase in the rates is based on the notional loss in revenue calculated by the MOPT for the previous year 2002-03. It would be relevant here to recall that this Authority had already held that the revenue loss cited by the ports due to the change over to the hourly system was only a possible reduction in their revenue which would only be a temporary phase. It was further pointed out that the relevant revenue accrual was due to a not so reasonable arrangement. One can argue that the notional revenue loss of Rs 138 lakhs for the year 2002-03 reported by the MOPT is, in fact, the extra flab available in tariff which was only reduced by the relevant order of this Authority. The position reported by the MOPT actually reinforces the rationalization ordered by this Authority bearing in mind the principle of requiring users to pay as per actual services availed.
- (ii). The Mormugao Ships Agents Association (MSAA) has argued that the benefit to the ships available due to the rationalization in the unit of charging berth hire would be nullified if the instant proposal of MOPT to increase the unit rate is accepted. It is noteworthy that the Authority had earlier in January 2000 reduced the unit of berth hire charges from the then existing 24-hours to 8-hours commonly at all major port trusts. At that time, no adjustment in the unit rate was allowed. Nevertheless, recognizing the possible revenue reduction to the port, while ordering further reduction of this unit to hourly basis in March 2003, this Authority has kept a provision for review of the unit rates. The general decision is to review the financial impact of the arrangement introduced at the time of the next general revision of tariffs at the respective ports. Only if any major financial loss is found to emerge in any port, it was decided to consider ahead-of-schedule revision of the vessel related charges. It is to be noted that the ahead-of-schedule revision has been decided to be taken up for review of the entire spectrum of vessel related charges. The MOPT has, however, made this proposal only with reference to berth hire / anchorage fees without considering the entire finance/cost position for all the vessel related charges. This position assumes significance in view of the existing cross-subsidization in the tariff for different port activities. Further, no

other major port trusts, except MOPT and MBPT, have come up for revision of berth hire charges due to the change in the unit of charging introduced w.e.f. 1 June 2003. In the case of MBPT, the proposal is sought to be justified on various grounds including the notional revenue loss on account of hourly berth hire charges.

- (iii). The MSAA has referred to a separate proposal for review of Efficiency Linked Tariff ( ELT) scheme pending before this Authority and suggested that the instant proposal of MOPT should be deferred till a final decision on the ELT proposal is taken. This suggestion does not appear to be relevant as review of ELT scheme and the proposed rationalization of berth hire are two different issues even though premium / penalty under the ELT scheme is payable on the basic berth hire charge.
- (iv). Various arguments have been made on the issue whether hourly berth hire would induce early vacation of the berth by vessel after completion of cargo operation. It is clarified that the benefit accruing to the ports due to early vacation of ship is cited in the relevant order of this Authority only as an incidental benefit to the ports due to the introduction of hourly berth hire charges. As already explained, the arrangement of levying berth hire on hourly basis was ordered by this Authority with the main objective of requiring vessels to pay berth hire charges only for the time they occupied the port's facility.
- (v). The quantum of upward revision in berth hire and anchorage charges proposed by the port is based on the notional loss of revenue for the year 2002-03. The loss was initially quantified by the port at 9.92% in berth hire and 5.05% in anchorage charges based on the figures for the year 2002-03. This position stands revised to 8.34% and 2.74% for the period from June 2003 to 30 September 2003. Further, the port has subsequently reported that the relevant figures are 9.73% and 3.40% for the period June to December 2003. In its own admission, the port has conceded that the working result for part of the year may not give any clear picture. As correctly pointed out by the MSAA and GMOEA, it may not be appropriate to take any decision on revision of tariff based on results for the past period for a simple reason that tariff is always fixed based on a forward looking model. What would be relevant in this case is, therefore, the projected financial position for the next two years which is not made available by the port.
- (vi). GMOEA has made a valid point about the inter-related nature of various tariff. It is admitted that the existing tariff at the MOPT are not fixed with reference to stand alone cost of individual activity but by considering the overall financial / cost position and recognizing the flow of cross-subsidies between different activities. It is relevant here to point out that this Authority had earlier prescribed a reduced tariff validity period for the revised vessel related charges at the MOPT to coincide with the validity of cargo related charges prescribed earlier so as to bring all major tariff items for a review at a common date. The intention behind the decision is to carry out a comprehensive appraisal of the cost / financial position of different activities of the port while reviewing tariff so that reasonableness of allocation of costs and extent of cross-subsidisation between different activities can be assessed before deciding on any tariff revision. This position holds good even now. In order to decide on the quantum of increase proposed by the MOPT it is necessary to carry out a detailed scrutiny of the entire financial position of the port as well as the cost position under different activities / sub-activities. Such an exercise is admittedly an exhaustive one. The next general review of the existing Scale of Rates of the MOPT falls due in September 2004 for which the MOPT is required to submit all such relevant analyses. Instead of carrying out such a detailed analysis now in respect of one of the tariff items, viz. Berth hire charges, it can be conveniently taken up as a part of the general review of the Scale of Rates. The MOPT is advised to take necessary action to submit its

proposal for the next general review of the Scale of Rates by the end of June 2004 by which time the financial results for the year 2003-04 are expected to be available.

- (vii). The MOPT has, however, argued that the benefit of increased berth hire will not be available to it retrospectively if the exercise is deferred till the next general review of the Scale of Rates. Since tariff fixation is generally made prospectively, it is true that berth hire charges proposed by MOPT will not be revised retrospectively from 1 June 2003, as requested by it. It is recognized that the existing Scale of Rates of the MOPT was reviewed in August / September 2002 relying upon the estimates furnished by the port. These estimates have now turned into actuals. From the position reported by the MOPT, there is a variation in traffic to the extent of 25.27 lakhs and 24.50 lakhs between the estimates and actuals for the years 2001-02 and 2002-03 respectively. Likewise, the variation in the total GRT estimates is to the extent of 11.15 lakhs GRT and 2.69 lakhs GRT for the years 2001-02 and 2002-03 respectively. The net contribution from these variations in the traffic is available to the MOPT which shall at least partly off-set the reduction in revenue, if any, from berth hire / anchorage fee due to introduction of hourly rate.

In spite of this position, if the MOPT feels that ahead-of-schedule revision would be inevitable, then it can come up immediately with a suitable proposal for review of all the vessel-related charges as mentioned in this Authority's order dated 17 March 2003. Needless to say that such a proposal should duly take into consideration the cross-subsidisation between different activities.

- (viii). The MOPT has cited certain practical difficulties and suggested that the time for calculation of berth hire should have some cushion both at the starting and ending points. Introduction of hourly berth hire charges does not envisage any change in the manner of levy of this charge except the change ordered in the unit. The proposal of the MOPT however, goes counter to the basic objective with which the hourly unit was introduced. The duration of stay of vessel for the purpose of levying berth hire / anchorage fee should continue to be calculated as hithertofore without any change.
- (ix). The port has also proposed some changes in the charge leviable from the vessels idling at mooring buoys / dolphins and alongside the trans-shippers. No justification is given in support of the proposed amendments. This amendment can also be considered at the time of the next general revision of the Scale of Rates of MOPT provided adequate justification is furnished by the port.

10. In the result and for the reasons given above and based on a collective application of mind, this Authority rejects the proposal of the MOPT for an upward revision in the berth hire and anchorage charges at this juncture. The MOPT is advised to come up with a comprehensive analysis of all tariff items alongwith its proposal for the next general review of its Scale of Rates by 30 June 2004. If the MOPT finds that ahead-of-schedule revision will be inevitable, then it can come up immediately with its proposal for review of all vessel-related charges.

**( A.L. Bongirwar )**  
Chairman

**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/55/2003-MOPT** - Proposal from the Mormugao Port Trust for rationalisation of Berth hire /anchorage charges.

1. The comments received from the port users / representative bodies of port users are summarised below:

**Indian National Shipowners' Association (INSA)**

- (i). Introduction of hourly charging berth hire/anchorage charges at all the major ports is to solve the problems relating to delays both in berthing and at berths/anchorage. Since the hourly rate induces the vessel to vacate the berth as early as possible to save berth hire charges and pave way for accommodating the waiting vessels, under no circumstances the ports can lose the revenue, if effective and expeditious berthing/re-berthing of vessels is carried out.
- (ii). Port can handle more vessels (and hence more revenue) on quick vacation of berths by reducing idle time of the vessel at the berth/anchorage. It will also reduce unnecessary cost incurred by the users for idle period at the berth/anchorage because of no fault on their account.
- (iii). Port users suffer damages caused by loss of ships' time to wait for the tide. It is improper for the vessel to pay for 8 hours even if it has left the berth/anchorage within one hour.
- (iv). Since of vessels (GRT) regulate the revenue of the port and not the reduction of unit from 8 hours to per hour.
- (v). Payments shall be effected as per actual services rendered, which are linked with duration of stay of a vessel at such facilities.
- (vi). Projection for loss of revenue may not give the true picture as the actual situation will be different. Turnover of the vessel will result in better revenue for the port.

**The Mormugao Ship's Agents Association (MSAA)**

- (i). The MOPT has calculated the berth hire and anchorage charges in respect of vessels handled during the year 2002-2003 whereas

the Authority's Order was implemented from 1 June 2003. Such a review shall be made in respect of vessels handled from 1 June 2003 for a period of about one year and, the result of the review shall coincide with the general review of port tariff in August/September 2004 instead of having the review now on a hypothetical basis.

- (ii). Other statements enclosed by the MOPT to the review request are relevant for general revision of tariff in August/September 2004, specially so because TAMP is currently reviewing guidelines for tariff regulation including rate of return on capital and other items.
- (iii). It would be incorrect to have specific review of loss caused due to this reduction of unit, as such tariff exercises are ongoing processes and, any losses due to such exercises shall be reviewed at the time of overall general revision only. Hypothetically if the TAMP were to increase the berth hire in its 2004 review, again the port's hypothetical losses would widen and this would keep happening at every berth hire increase and would be best tackled at the time of general review.
- (iv). TAMP order was welcomed by Ship-owners world over and now if MOPT is allowed, a few months after the order, to rationalise the berth hire, it would nullify the earlier order and lead to serious questioning / doubts by ship-owners world over on the process of tariff rationalisation. It is better for the MOPT to do a general review in August / September 2004 for all losses caused due to change in tariff regulations.
- (v). Since a major portion of the berth hire at the Mormugao is charged on vessels loading at Berth no. - 9 under the ELT scheme which has been recently modified by MOPT and, appeals are pending with TAMP on this issue, the present issue shall be deferred.

#### **Goa Mineral Ore Exporters' Association (GMOEA)**

- (i). The MOPT proposal is based only on a possible future loss. TAMP Order passed on 17 March 2003 made a specific mention that "It has to be recognized that the loss cited by the ports are in fact, a possible reduction in their revenue" while setting aside ports objections against introduction of the proposed levy on an hourly basis.
- (ii). The Order also states that if an internal review carried out by the port reveals any major financial loss due to the proposed arrangement, such port can come up with a proposal for revision of the existing vessel-related charges ahead of schedule. The loss indicated in MOPT proposal is only an expected future loss

computed based on vessels called on the port during 2002-03. It ignores the benefits perceived to be gained as a result of the introduction of the levy, as rightly stated by the Tuticorin Port Trust and summarised in the above TAMP order, viz. "Due to the change over, vessels will be induced to vacate the berths as early as possible to save berth hire charges, which will pave for accommodation of the waiting vessels quickly. This may have the indirect benefit to the port by means of handling more vessels".

- (iii). Since the proposal circulated does not include statements showing details of computation of differential loss of revenue on Berth hire and Anchorage charges on 8 hourly basis vis-à-vis hourly basis for the year 2002-03, comment on the accuracy of the workings can not be made.
- (iv). Some of the differences in the figures as given in the statements and the accounts as per annual report are illustrated below:

	<b>(Rupees in lakhs)</b>	
	<b>As Accounts</b>	<b>per Proposal</b>
Operating Income	18758.94	18749.26
Operating Cost (excluding depreciation)	7870.59	7757.38
Operating Income of Port & Dock Facility	4802.86	4742.96

- (v). As stated in earlier TAMP orders, various activities of the port are inter-related and tariff revisions shall be effected for all activities at one time.
- (vi). As TAMP is also considering review of guidelines for Tariff Regulations, it is suggested that these issues be streamlined at the time of next revision.
- (vii). It would be worthwhile to ascertain the actual impact of this hourly levy before coming to a conclusion that a possible loss may occur.

**The Shipping Corporation of India Ltd., (SCI)**

- (i). Calculation for differential loss of revenue shall be made in respect of vessels handled for the year after the TAMP Order has been implemented i.e. from 01.06.2003 to 31.05.2004

- (ii). The MOPT proposal for rationalisation of berth hire / anchorage charges may be considered only after the results for the current year (one year period) are provided.

2. The MOPT has responded to the comments furnished by the user organizations, which are summarised below:

On the comments of the Indian National Shipowners Association (INSA)

- (i). Introduction of Berth Hire on hourly basis need not necessarily encourage any vessel to vacate the Berth early. No ship tries to delay stay in the Port even if she does not have to pay Berth hire.
- (ii). No vessel is allowed to idle at the Berth especially when the next ship is waiting for berthing; and also, no ship is unduly delayed at the Berth by the Port. The Berth occupancy can never be 100%. It ranges around 65 to 80% for General Cargo Berths, 75% for MOHP and 74% for Oil Berth. By merely converting the shift rate into hourly rate without suitable adjustment, the Port is bound to lose revenue.
- (iii). The port can handle more vessels on quick vacation of Berth but even then there will be an idle facility which is not covered under the existing rate structure. The port has only proposed to rationalize the loss suffered to the extent of Rs.138.55 lakhs per annum which is due to fixation of hourly rate without doing necessary adjustment to cover cost of idle facilities.
- (iv). Time lost by a ship for want of favourable tidal conditions is beyond the control of the Port. The Berth hire will have to be paid by the vessel for the period she occupies the berth.
- (v). Port charges are levied on the gross tonnage of the vessel and it is not desired to generate extra revenue by reverting to unit of 8 hours. Berth remains idle for some duration between each un-berthing and berthing of the next vessel for which no Berth hire is received by the port even though the port is in readiness to load or receive cargo. Earlier with 8 hours unit, this loss used to get covered. Hence the loss suffered on account of the rationalisation needs to be adjusted in the unit rate as indicated by the TAMP.
- (vi). The loss of revenue has been worked out on the actual data for the year 2002-03. The proposal is to rationalise the berth hire/anchorage charges and to offset the differential loss upon change of unit charge from 8 hours to per hour.
- (vii). Berth hire is charged from the time first line is sent ashore till the time last line is cast off. Since the berth cannot be utilized when the ship is approaching or is well clear off the berth, it is recommended that Berth hire should be charged from the time the vessel is approaching the berth till the vessel is well clear off

the Berth. For practical convenience in noting down this time, this period may be taken as 45 minutes before the first line ashore time and half an hour after all lines are cast off.

On the comments of the Mormugao Ship Agents' Association (MSAA), Goa Mineral Ore Exporters' Association (GMOEA) and the Shipping Corporation of India (SCI).

- (i). Although TAMP order was made effective from 1 June 2003 the probable loss of revenue computed by MOPT was based on the actual data of 2002-03. The impact of reduction of unit of charge will remain the same subject to negligible variation.
- (ii). Statement in details for the year 2002-03 indicating therein the number of vessels handled at berths / stream, GRT of vessels, time at berth / stream and differential loss of revenue per vessel were submitted to the TAMP.
- (iii). The Port has no objection in fixing the per hour rate for berth hire / anchorage charges, however, while doing so, the loss suffered on account of rationalisation of berth hire / anchorage charges needs to be adjusted in the unit of rate as indicated by the TAMP.
- (iv). Reduction in berth hire & anchorage charges and ELT scheme at MOHP are two different issues, which are to be dealt with separately.
- (v). As to GMOEA contention that there would be major financial loss due to implementation of TAMP Order, it is stated that the loss of revenue on account of reduction of unit charge will be Rs.138.55 lakhs per annum which is 7.71% of the berth hire / anchorage charges (2002-03).
- (vi). The difference in figures as per Annual Accounts and as per proposals as stated by the GMOEA are explained below. The statements for the proposal were prepared as per the proforma form-III prescribed by TAMP based on the Cost Statements:
  - (a). There is a difference of Rs.9.68 lakhs in cost statements (as per proposal) and Annual Accounts in Operating Income. In Annual Accounts, the recovery of water charges (Rs.9.68 lakhs) from port employees was shown as Operating Income. Whereas, under cost statements, it is deducted from the expenditure of sub-activity – Domestic water supply expenses.
  - (b). The difference between operating cost (excluding depreciation) as per accounts and proposal is detailed below:

		(Rs. in lakhs)
Operating cost as per accounts		7870.59
Less	Expenditure on domestic water supply (Direct cost) credited to Management and General Overheads under cost statements.	340.02
Less	Recovery of water charges from employees credited to water supply activity under cost statements (direct cost)	9.68
Add	Incentive paid to MOHP workers / staff shown as direct cost under cost statements, which is shown as FME under Annual Accounts	207.44
Add	Interest on Government loan shown as direct cost under cost statements which is shown as FME under Annual Accounts	209.05
Operating cost as per proposal		7757.38

(c). As regards the difference between operating income of P&D facility under Accounts and Cost Statements, it is clarified that Compensatory Tonnage Tax amounting to Rs.50.23 lakhs was classified as cargo related charges in cost statements and Rs.9.69 lakhs towards the recovery of water charges from port employees accounted under P&D activity as stated at (a) above.

(vii). It is requested that the proposal may be sanctioned with retrospective effect from 1 June 2003 to protect the port revenue for the year 2003-04 under the sub-activity berthing and mooring, as the revenue foregone will be made good subsequently.

(viii). The differential loss of revenue for the period of 4 months i.e., 1 June 2003 to 30 September 2003 works out to Rs.20.03 lakhs based on the vessels handled at berths / stream and the upward revision is required in respect of berth hire & anchorage charges @ 8.34% and 2.74% to set off the probable loss of revenue. As contended by SCI, it is not feasible to consider the proposal after the working results of the current year as the revenue loss will not be made good. The scientific method is adopted by the Port for computation of probable loss of revenue.

2. A joint hearing in this case was held on 16 January 2004 at the MOPT premises in Goa. At the joint hearing the following submissions were made:

**Mormugao Port Trust (MOPT)**

(i). While introducing hourly rate TAMP has also advised to give proposal for revision of rates, if any loss is incurred due to introduction of hourly rate.

(ii). Our notional loss for 2002-03 is Rs 138.55 lakhs.

- (iii). 8 hourly rate absorbs time loss due to shifting / berthing of vessels. No such cushion is available in hourly rate.
- (iv). We look at the loss from vessel related charges only. It is not correct to see loss from the angle of total income for the port as a whole.

**Indian National Shipowners Association (INSA)**

- (i). Unit berth hire was ordered to avoid users paying even for the delay in berthing / un-berthing.
- (ii). Hourly berth hire enables port to berth other waiting vessels.
- (iii). Earlier they collected rate for 8 hours even when vessel occupied for few hours.

**Goa Mineral and Ore Exporters Association (GMOEA)**

- (i). Even when TAMP introduced 8-hourly rates in 2000, the MOPT put forth similar arguments and they were rejected by TAMP.
- (ii). As held by TAMP, the system of charging followed earlier was illogical.
- (iii). TAMP asked for review only if major loss is noticed. MOPT case is not a major loss. The notional loss is less than 1% of operating income. Anything more than 10% can be a major loss.
- (iv). This issue could be conveniently analysed at the time of next general revision.
- (v). The port is witnessing record growth in iron-ore during 2003-04. This growth will give them additional income more than anticipated in their budget.
- (vi). Since MOPT rates are already fixed with cross-subsidisation, we have to see from total income angle.

**Goa Chamber of Commerce and Industry (GCCCI)**

- (i). It is too early. Let them wait till next general revision.

**Mormugao Stevedores Agents Association (MSAA)**

- (i). MOPT should give details about loss of time at the time of berthing/ un-berthing. Let MOPT wait till next general revision.