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## **Tariff Authority for Major Ports**

G. No. 92

New Delhi, 21 May 2004

### **NOTIFICATION**

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby accords ad-hoc approval to the proposal of the Mumbai Port Trust (MBPT) for fixation of rates towards levy of charges for handling / removal of containers from ship side to container yard or *vice versa* as in the Order appended hereto.

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

**Tariff Authority for Major Ports**  
**Case No. TAMP/20/2004-MBPT**

The Mumbai Port Trust

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Applicant

**ORDER**

( Passed on this 4th day of May 2004 )

The MBPT has submitted a proposal for fixation of rates towards levy of charges for handling / removal of containers from ship side to container yard or vice versa.

2.1 The MBPT has made the following main points in its proposal:

- (i). Transportation of containers is presently being carried out by vessel agents or container operators by engaging their own contractors.
- (ii). TAMP advised MBPT to submit a proposal to provide comprehensive service to containers and levy of box rates.
- (iii). As a first step for prescribing a composite box rate, it is necessary for MBPT to provide transportation service.
- (iv). It has been decided to take over the transportation of containers between vessel side and container yard with effect from 15 May 2004 and it is working out a composite box rate in respect of containers.
- (v). Bids were invited from private firms and the lowest bid of a private contractor has been finalised. The lowest rates quoted by the private contractor are as follows:

Sr. No.	Activity	Rates (in Rs.)
1.	Handling of 20' loaded container from Ship side to container yard or vice versa	565.00
2.	Handling of 20' empty container from Shipside to container yard or vice versa	460.00
3.	Handling of 40' loaded container from Shipside to container yard or vice versa	847.50
4.	Handling of 40' empty container from shipside to container yard or vice versa	690.00

- (vi). MBPT will pay the contractor for rendering the services at the rates mentioned above and the same amount will be recovered from the users. MBPT will not recover any additional charges over and above the charges mentioned above.
- (vii). Since only the amount payable to the transport contractor will be recovered from the port users for running services, the cost details stipulated in the formats have not been furnished. While processing the composite box rates, necessary details of cost as per the guidelines issued by TAMP will be furnished.

2.2. In a subsequent communication the MBPT has stated that the existing transporters engaged by the container lines charge Rs.950/- per TEU for the subject work irrespective of whether the container is empty or loaded and double the above rate for 40' container. Since the port will provide the service at a lower cost, the container handling cost in Mumbai Port will be brought down considerably.

2.3. The port has also requested to accord adhoc approval to the rates pending completion of formalities and waive the condition of 15 days notice period for implementation of the rates, since the service will be taken over from 15 May 2004.

2.4. The proposal has been endorsed by the Board of Trustees of the MBPT in its meeting held on 29 March 2004.

3.1. At present, the vessel agents / container operators, by engaging their own contractors, transport containers in port area. As a step towards providing comprehensive service to containers and levy of box rate, the MBPT has decided to take over the transportation of containers between the ship side and container yard.

3.2. The MBPT in its proposal has proposed rates for handling containers from ship side to container yard, which are not cost based but based on rates that emerged following the tendering process. The MBPT has clarified that it will only recover from users the rates quoted by the lowest bidder and the port will not charge anything extra. Notably, the proposed rates are reported to be substantially lower than the existing rates.

3.3. As the MBPT has to take over the services with effect from 15 May 2004 and consideration of the proposal by the Authority following the usual consultative process will take time, grant of approval to the proposed rates on ad-hoc basis becomes necessary as a service proposed to be provided by the port should not face a set back merely for want of approved tariff therefor.

3.4. A similar approach was adopted by this Authority to accord approval on ad hoc basis for a period of three months to the MBPT proposed rates for stevedoring operations in October 2002 when the port took over the stevedoring operations with effect from 1 November 2002 [TAMP/Q/2002-MBPT].

4.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority accords ad hoc approval to the ceiling rates for transportation of containers between the vessel side and container yard or vice versa as proposed by MBPT for a period of 3 months.

4.2. Consequently, the following schedule is inserted as Clause 3 below subsection (C) (2) of Section 5 of Dock Scale of Rates of Mumbai Port Trust:

**Section - V**

**(3). Ceiling rates for handling/removing of containers from shipside to container yard or vice versa.**

Description	Upto 20 Feet		Over 20 feet	
	Loaded	Empty	Loaded	Empty
Ceiling rates per container for handling / removal of containers from ship side to container yard or vice versa.	Rs 565/-	Rs. 460/-	Rs. 847.50	Rs. 690/-

4.3. The approved rates will come into effect from 15 May 2004.

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