

(Published in Part – III Section 4 of the Gazette of India, Extraordinary)

TARIFF AUTHORITY FOR MAJOR PORTS

G. No: 142

New Delhi, 14 October 2005

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 disposes of the proposal of the Mumbai Port Trust for revision in stevedoring rates as in the order appended hereto.

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

TARIFF AUTHORITY FOR MAJOR PORTS

Case No: TAMP/58/2005-MBPT

The Mumbai Port Trust

Applicant.

ORDER

(Passed on this 6th day of October 2005)

The Mumbai Port Trust (MBPT) has submitted a proposal dated 28 September 2005 for 5% increase in stevedoring charges with effect from 1 October 2005 till approval of its proposal for general revision of its Scale of Rates. The MBPT has made the following points in its proposal:

- (i). MBPT has submitted a comprehensive tariff revision proposal.
- (ii). TAMP's sanction to stevedoring charges is valid only upto 30 September 2005. It is proposed to increase these rates by 5% till TAMP's approval to comprehensive proposal is implemented.
- (iii). 5% increase in Stevedoring charges may kind be approved from 1 October 2005 till approval of comprehensive proposal.

2. The notes to the Schedule – I, Sub-section (C) below Sub-section (B) of Section – IV (Composite berth hire charges) of the existing Scale of Rates charged at Docks, inter alia, state the following:

- (v). (a). The rate prescribed in the Schedule given above will be valid for one year w.e.f. 1 October 2003 to 30 September 2004.
- (b). As escalation factor of 5% will be applied on the stevedoring rates prescribed in Schedule given above w.e.f. 1 October 2004 and these rates will remain valid till 30 September 2005".

3. Recently, the MBPT has filed a tariff proposal dated 22 September 2005 for general revision of its Scale of Rates with this Authority. The general revision proposal for revision its Scale of Rates is yet to be taken on consultation. It is noteworthy that the MBPT proposal dated 22 September 2005, inter alia, includes the following request:

"TAMP's sanction to stevedoring charges under Schedule (b) of Section – III is valid only upto 30 September 2005. It is proposed to increase these rates by 5% till TAMP's approval to the

comprehensive proposal wherein stevedoring charges have been increased by 25% is implemented.”

4. As stated earlier, this Authority fixed the tariff for stevedoring services way back in September 2003 and the MBPT is well aware that the validity of the stevedoring charges will expire on 30 September 2005. The port has filed the proposal for 5% escalation in the existing stevedoring rates just before the expiry date. There is no justification to delink some portion of the general revision proposal in order to cover the unexplained delay on the part of MBPT to file its proposal in time. The revised tariff guidelines notified in March 2005 require a port to forward its tariff proposal at least three months before the relevant tariff become due for revision. By filing the subject proposal at the fag end of the validity period, this Authority is denied the opportunity of analyzing the cost position and consulting the relevant users before taking a final view on the proposal. It is not possible to verify the cost details within the short span of time available and decide on the increase in rates sought by the MBPT.

5. It has to be recognized that the MBPT continues to render stevedoring services and the port has to levy charges for the services provided by it. Without a detailed scrutiny, this Authority is not in a position to approve the proposed 5% hike in the existing stevedoring charges. The MBPT has filed a tariff proposal for general revision of its Scale of Rates, which includes the revision of stevedoring charges. A detailed analysis can be made in that proceedings with reference to cost details and after consulting the users. In the given circumstance, this Authority is inclined to authorize the MBPT to continue with the existing rates for the period beyond 1 October 2005 till disposal of the general revision proposal filed by the port.

6. In the result, and for the reasons stated above, this Authority authorizes the Mumbai Port Trust to continue to levy the stevedoring charges at the rates applicable as on 30 September 2005 till effective date of implementation of the Order to be passed on the general revision proposal for revision of the Scale of Rates of MBPT.

(A.L. Bongirwar)
Chairman.