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Tariff Authority for Major Ports

GNo.103

New Delhi,

21 June 2008

NOTIFICATION

In exercise of the powers conferred by Section 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby introduces two conditionalities as note (12) and note (13) below sections 3.1. to 3.3. under the Berth hire schedule in Chapter-III Vessel Related Charges in the Scale of Rates of Paradip Port Trust.

(Brahm Dutt)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/60/2005-PPT

The Paradip Port Trust

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Applicant

ORDER

(Passed on this 22nd day of April 2008)

By Order dated 12 October 2007 in case No.TAMP/60/2005-PPT this Authority approved the proposal of the PPT for general revision of its Scale of Rates (SOR). The Order along with revised Scale of Rates of PPT was notified in the Gazette of India, Extraordinary on 31 October 2007 and the revised rates came into effect after 30 days from the date of the Notification.

2. As per clause 2.7.(i) of the general terms and conditions of the pre-revised SOR of PPT, vessels should be ready for sailing in all respects within two hours of completion of cargo work and failure thereto would invite levy of penal berth hire charges at the rate of USD 105/- (for coastal vessels Rs.2742/-) per hour or part thereof. As per clause 2.7.(ii). Ibid, the port also levied penal berth hire charges at these rates if vessels continued to occupy the berth for more than two hours after expiry of the four hours notice period served on them to vacate the berth for operational reasons.

3.1. In the revised Scale of Rates, the clause 2.7. (i) and clause 2.7.(ii) referred to in para 2 above were deleted and in lieu thereof the following conditionalities were incorporated as note (4) below Sections 3.1. to 3.3. pertaining to Berth Hire Charges:

- (i). Berth hire shall stop 4 hours after the time of the vessel signaling its readiness to sail. The time limit prescribed for cessation of berth hire shall exclude the ship's waiting time for want of favorable tidal conditions or on account of inclement weather or due to absence of night navigation facilities.
- (ii). There shall be penal berth hire equal to one days berth hire charge for a false signal.
- (iii). The Master/Agents of the vessel shall signal readiness to sail only in accordance with favourable weather conditions and tidal movements.

3.2. Introduction of the above note in the SOR under berth hire charges was in accordance with the conditionalities prescribed in the revised guidelines for regulation of tariff notified on 31 March 2005.

4. PPT in its letter No.TD/TM/MAR-01/2001/1175 dated 19 March 2008 addressed to this Authority requested to re-introduce the earlier provisions for levying the penal berth hire charges. The port's request was examined. The conditionalities incorporated in the SOR as detailed in para 3.1. above pre-suppose that a vessel will signal its readiness to sail without occupying the berth even after the cargo operations are over. What was available in the pre-revised Scale of Rates were enabling clauses to levy penal charges if the vessel is not ready to sail after completion of its cargo operation. The SORs of Chennai Port Trust, Visakhapatnam Port Trust, Jawaharlal Nehru Port Trust, Mormugao Port Trust, New Mangalore Port Trust and Tuticorin Port Trust contain provisions to levy penal berth hire charges on vessels which overstay at the berths.

5. Since the conditionalities proposed to be re-introduced were in existence in the SOR of PPT till they were deleted by this Authority at the last general rate revision and while adhering to the consultative process none of the user bodies had raised any objection on the levy of penal berth hire charges on vessels overstaying at the berths, it is not considered necessary to follow a fresh consultative process for re-introduction of the levy of penal berth hire charges.

6. This Authority, therefore, accords approval to the re-introduction of the levy of penal berth hire charges in the SOR of Paradip Port Trust by inserting the following conditionalities

as note (12) and note (13) below Sections 3.1 to 3.3.under the Berth hire schedule in Chapter –III Vessel Related Charges:

- “(12). Vessels should be ready for sailing in all respects within two hours of completion of the cargo work. Information regarding the time of the vessel’s readiness to sail is to be communicated to port signal station over VHF and hoisting of ‘1G’ flag at least one hour in advance. Vessels which are not ready to sail after two hours of completion of cargo work are liable to pay penal berth hire charges at the rate of 105 USD (for coastal vessels (Rs.2582/-) per hour or part thereof in addition to the rates specified in the berth hire schedules. The duration for which penal berth hire is to be charged will be calculated from the time of expiry of two hours from completion of cargo work to the time the vessel is ready for sailing.
- (13). Penal berth hire charge at the rate of 105 USD (for coastal vessels (Rs.2582/-) will be applicable to vessels which continue to occupy the berth for more than two hours after expiry of the 4 hours notice period given by the Paradip Port Trust or officials authorised by it to the vessels to vacate the berths for operational reasons.”

7. The coastal vessel rate has been adjusted with reference to the exchange rate of 1 US\$=Rs.40.98 considered at the time of the last general revision of rates.

8. Since it is only a reinstatement of a provision which was in existence till the last general revision of rates, this Authority accords approval to the levy of the penal berth hire charges with retrospective effect (i.e. from 30 November 2007, the date on which the last revision came into effect).

(Brahm Dutt)
Chairman