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## **Tariff Authority for Major Ports**

**G.No.68**

**New Delhi, 06 May 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 hereby approves the proposal received from the Tuticorin Port Trust for fixation of rates for issue of identity cards for persons and vehicles on account of implementation of International Ship and Port Facility Security (ISPS) code as in the Order appended hereto.

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

**Tariff Authority for Major Ports**  
**Case No. TAMP/8/2005 - TPT**

Tuticorin Port Trust (TPT)

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Applicant

**ORDER**

(Passed on this 25th day of April 2005)

This case relates to a proposal received from the Tuticorin Port Trust (TPT) for fixation of rates for issue of identity cards for persons and vehicles on account of implementation of International Ship and Port Facility Security (ISPS) code in the port.

1.2. The existing Scale of Rates (SOR) of the TPT prescribes charges for issue of temporary passes to individuals and license fee for entry of vehicles/equipment.

2.1. The TPT has mentioned the following main points in its proposal:

- (i). In view of implementation of International Ship and Port Facility Security (ISPS) code in port sector w.e.f. 1 July 2004, all users entering the port security wall are required to wear the photo Identity Card to ensure access control.
- (ii). The existing SOR of the TPT under Schedule 5.14 prescribes charges for issue of temporary passes @ Rs.2.50 per head for entry of individuals to the harbour.

With the application of ISPS Code, identity cards are to be issued to the individuals which cost Rs.11.22 per ID card i.e. Rs.7.22 per ID card payable to the contractor (inclusive of 3.15% of sales tax) plus Rs.4 being the direct cost and return on the investment.

Accordingly, it has proposed to levy Rs.12 per head for issue of temporary photo identity cards to individuals entering the harbour either at Zone A or Zone B instead of the existing fee of Rs.2.50 for issue of temporary passes. It has also proposed to modify the heading of this schedule accordingly.

- (iii). The existing note number 2 (iii) under Schedule 5.17 of its SOR exempts all light vehicles viz, two wheelers, three wheelers, cars, vans, etc., from levy of any license fees. In view of introduction of identity cards for all light vehicles, it has proposed to levy a fee for entry of such vehicles. The cost of identity cards for light vehicles works out to Rs.8.90 per card (i.e. Rs.7.22 payable to contractors including sales tax plus Rs.1.68 being the direct cost and return on investment). Accordingly, it has proposed to levy Rs.10 per ID card for all light vehicles viz., two wheelers, three wheelers, cars, vans, etc., entering into check post I and II (including inside security wall) both for Zone A and Zone B. It has proposed to insert a new entry for this item at Sl. No. 8 in Schedule 5.17 of its SOR.
- (v). Details of cost of investment and the operating cost has been forwarded alongwith its proposal.
- (vi). The users have been informed about the proposals; however, it has not received any reservation in this regard from them.
- (vii). This proposal has been approved by its Board of Trustees in the meeting held on 18 December 2004.

2.2. In this backdrop, the TPT has proposed the following amendments in Chapter V-Miscellaneous Charges in its existing SOR:

- (ii) To replace existing Schedule 5.14 - Charges for the issue of temporary passes as follows:

*"5.14 . - Charges for the issue of temporary photo identity passes:*

<b>Sl. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Proposed Rate (in Rs.)</b>
1	<i>Charges for the issue of temporary photo identity passes for admission to the Harbour (Either at Zone A or Zone B)</i>	<i>Per head</i>	12

- (iii). To insert a new entry as Sl. No. 8 in Schedule 5.17 – License fee for entry of vehicles / equipment as follows:

<b>Sl. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Proposed Rate (in Rs.)</b>	
			<i>Entry into check post I and II (excluding inside the Security wall) Zone A and Zone B</i>	<i>Entry into check post I and II (including inside the Security wall) Zone A and Zone B</i>
8	<i>All light vehicles viz, two wheelers, three wheelers, cars, vans etc.</i>	<i>Each</i>	-	10

3.1. In accordance with the consultative procedure prescribed, the proposal was forwarded to the concerned user organisations seeking their comments.

3.2. Comments received from the various user organisations were forwarded to the TPT as feedback information. The TPT has also responded to the comments made by the users.

4. The tariff item in consideration is not a regular tariff item having significant revenue implications and most of the user organisations consulted in the case have not conveyed any serious objection to the proposed rate. In view of this position, joint hearing in this case was not considered necessary.

5. 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 [http:// tariffauthority.gov.in](http://tariffauthority.gov.in)

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

- (i). The proposal of the TPT is for revising the existing entry fees on individuals and vehicles entering the port premises with reference to the updated cost of issue of photo identity passes in view of implementation of the International Ship and Port Facility Security (ISPS) code in port sector w.e.f. 1 July 2004.
- (ii). The existing Scale of Rates exempts the light vehicles i.e. two wheelers, three wheelers, cars, vans, etc., from levy of license fee. In view of introduction for photo identity passes for both individuals and vehicles, the TPT has proposed a license fee of Rs.10 per entry in case of light vehicles entering the check post including the security wall of port for both the Zones A and B. No tariff is, however, proposed for vehicles not entering inside the security wall. In case of the admission of individuals into the harbour a tariff of Rs.12 per head is

proposed for issue of photo identity passes instead of Rs.2.50 levied as per the existing SOR for issue of temporary passes without photo identity.

- (iii). Most of the users have welcomed this decision of the TPT for introduction of photo identity passes for safety and security reasons. None of the users have raised any major objection to the rate proposed by the TPT except for the Tuticorin Chamber of Commerce and Industry (TCCI). The TCCI has made a general remark without reference to any specific provision that this Authority can fix tariff for issue of photo identity passes to individuals but not for vehicles since it falls in the domain of motor vehicle authorities. The TPT has clarified that the objection raised by the TCCI is not tenable. As stated earlier, the existing SOR of the TPT already prescribes the tariff arrangement for entry of individuals and vehicles into the port premises. It is relevant to mention here that this Authority has prescribed license / entry fee for vehicles in case of other major ports and private operators also. That being so, the objection raised by the TCCI is found to be misplaced.
- (iv). The port has proposed to invest on video cameras and other equipment required for issue of the photo identity passes. The issue of photo identity passes is proposed to be out-sourced as reported by the TPT. The TPT has furnished the cost details in support of the proposed rate. It is relevant to mention that the entry fee for visitors is prescribed in the range of Rs.5 to Rs.20 per individuals on daily basis at the Cochin Port Trust, New Mangalore Port Trust, and other private operators like Vizag Sea Port Limited, PSA SICAL Terminals Limited, South West Port Limited, etc. Likewise, entry fee for vehicles is prescribed at Rs.75 per entry at some of these private terminal operators. The entry pass proposed by the TPT along with the photo identity is found to be reasonable in comparison to the rates prevailing at other ports and private operators. In view of this position and also recognising that none of the users have raised any pointed objection on the proposed rate, this Authority approves the rate proposed by the TPT. The existing note prescribed in item number 2(iii) in Schedule 5.17 of the SOR of the TPT is deleted in view of the proposed rate for entry of light vehicles into the port.
- (v). The Tuticorin Stevedores Association has requested to round off the cost of providing the service arrived at by the TPT to the nearest rupee and to fix the tariff at Rs.9 per head in case of individuals and Rs.11 per entry in case of light vehicles or alternatively to fix a uniform rate of Rs.10 for both the categories. The TPT has clarified that this marginal difference of Re. 1 on account of rounding off to next higher rupee is done to take into account to cost of inflation which has not been considered while arriving at the proposed rate. The clarification furnished by the TPT is found to be reasonable and the proposed rate is approved without any modification. The TPT must ensure that no increase is proposed for this tariff item in its comprehensive proposal for the next tariff review to be filed by the port by 30 June 2005.

7. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the following amendments in the existing Scale of Rates of the TPT under Chapter V-Miscellaneous Charges:

- (ii) Replace the existing Schedule 5.14 - Charges for the issue of temporary passes as follows:

*"5.14 . - Charges for the issue of temporary photo identity passes:*

<b>Sl. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Rate (in Rs.)</b>
1	<i>Charges for the issue of temporary photo identity passes for admission to the Harbour (Either at Zone A or Zone B)</i>	<i>Per head</i>	12

- (iii). Insert a new entry as Sl. No. 8 in Schedule 5.17 – License fee for entry of vehicles / equipment as follows:

“

<b>Sl. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Rate (in Rs.)</b>	
			<i>Entry into check post I and II (excluding inside the Security wall) Zone A and Zone B</i>	<i>Entry into check post I and II (including inside the Security wall) Zone A and Zone B</i>
8	<i>All light vehicles viz. two wheelers, three wheelers, cars, vans etc.</i>	<i>Each</i>	-	10

”

- (iii). Delete the existing note number 2(iii) under Schedule 5.17 and to renumber the existing note number 2(iv) as 2(iii).

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

**SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS /  
DIFFERENT USER ORGANISATIONS**

*F. No. TAMP/8/2005 – TPT* - **Proposal from the Tuticorin Port Trust (TPT) for fixation of rates for new identity cards for persons and vehicles on account of implementation of ISPS code in the port.**

1. In accordance with the consultative procedure prescribed, the proposal received from the TPT was forwarded to the concerned user organisations seeking their comments. The comments received from them are summarised below:

**Tuticorin Chamber of Commerce and Industry (TCCI)**

- (i). The charges for identity card may be fixed for person alone and not for vehicles since it is within the domain of the motor vehicle authorities.

**Indian Chamber of Commerce and Industry (ICCI)**

- (i). It has no objection on the TPT proposal for collecting fees for issuing identity cards to vehicles and persons as same is mandatory under ISPS code. The fees may, however, be fixed at a reasonable level without taxing the trade too much.

**Tuticorin Custom House Agents' Association (TCHAA)**

- (i). It has no reservation in the matter of levying charges indicated in the TPT proposal for issue of new identity cards.
- (ii). TAMP will have its own costing units and other machineries to verify the reasonableness of the rates.

**Tuticorin Steamer Agents' Association (TSAA) & Tuticorin Port Transport & Equipment Owners Association (TPT&EOA)**

- (i). It has reiterated the points made by Tuticorin Customs House Agents' Association.

**Tuticorin Stevedores Association (TSA)**

- (i). The proposal of the TPT is welcomed as it relates to safety measures in compliance with the ISPS code.
- (ii). It has elucidated the payment to be made to the contractor and the cost of investment to arrive at the proposed rate.
- (iii). The total cost for issue of an identity card for light vehicles, two wheelers, three wheelers, cars and vans etc., has been arrived at Rs.8.90. This may be rounded off and fixed at Rs.9 instead of the proposed rate of Rs.10.
- (iv). Likewise, charges for issue of temporary photo identity card to persons may be fixed at Rs.11 per head instead of Rs.12 proposed by the TPT. Alternatively, a uniform rate of Rs.10 may be fixed for both the categories.

2. We have not received comments from the All India Chamber of Commerce and Industry despite a reminder.

3. The comments received from the above users were forwarded to the TPT as feedback information. The TPT in response has made the following main points:

**On the comments of Tuticorin Chamber of Commerce and Industry**

- (i). As regards the contention of the TCCI, not to fix tariff for identity card of vehicles, it has clarified that for security reasons, identity of vehicle is also very important. Hence, the request of the TCCI is not justifiable. The port has incurred some additional expenditure towards providing facility and hence, it cannot be allowed free of cost.

**On the comments of India Chamber of Commerce and Industry**

- (i). It has incurred a huge amount towards providing the facility and rate has been fixed only on cost basis. The rate will be implemented after approval of TAMP.

On the comments of Tuticorin Custom House Agents Association, Tuticorin Steamer Agents Association and Tuticorin Port Transport & Equipments Owners' Association

- (i). The proposal is sent to ensure safety and security of the persons and vehicles entering the port's premises.

On the comments of Tuticorin Stevedores' Association (TSA)

- (i). As regards the suggestions made by the TSA to round off the rate to Rs.9 and Rs.11 for issue of identity cards to vehicles and person respectively, it has clarified that, since the tariff revision takes place every two or three years, the proposed rates are expected to take care of increase in expenditure for future years.

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