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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 66

New Delhi, 3 May, 2003

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby approves the proposals from the Visakhapatnam Port Trust (VPT) for (i) amendments/modification in its Scale of Rates; and, (ii) levy of additional tug hire charges in case of POL vessels as in the Order appended hereto.

(A.L. Bongirwar)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/104/2001-VPT

The Visakhapatnam Port Trust

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Applicant

ORDER

(Passed on this 17th day of March 2003)

1.1. This Authority had passed an Order on 16 May 2001 approving general revision of the Scale of Rates of the VPT.

1.2. With reference to the said Order, representations were received from some of the user organisations for review of some of the cargo-related / vessel-related charges and for a review of steep hike in the stevedoring / ship-repairing licence fees. Based on a preliminary scrutiny of the representation it was observed that the some of the issues brought out by the users appeared to be genuine errors, and, hence these representations were forwarded to the Visakhapatnam Port Trust (VPT) for their comments. The VPT after discussions with the concerned users have submitted proposals for modification/amendments to some of the conditionalities in the Scale of Rates (SOR) and also a proposal for levy of additional tug hire charges in case of POL vessels.

Component I – Review of the some of the conditionalities/tariffs in the SOR:

2. The Visakhapatnam Port Users Association (VPUA) alongwith the other representative bodies of users have submitted a joint representation seeking amendments of the provisions relating to some of the vessel-related and cargo related charges. Some of the main points made in the joint representation are summarised as below:

- (i). Shifting from / to anchorage may be treated as normal shifting; and, shifting charges may be applied instead of levying pilotage fee.
- (ii). The pre-revised provision allowing 15% waiver in the pilotage fee for vessels discharging / loading below 1500 MT may be reinstated; the tonnage limit may, however, be increased to 2000 MT instead of 1500 MT for this purpose.
- (iii). The shifting charges prescribed on the basis of GRT of the vessels are very high and expensive which need to be reconsidered and brought down to a reasonable level.
- (iv). The earlier provision exempting thermal coal and coking vessels from levy of priority Berth Hire charges needs to be included since the TAMP has permitted present system of levy of priority berth hire charges to continue till a final view is taken.
- (v). The revised road stead charges prescribed as a percentage of berth hire in the range of 25% to 75% depending upon the stay of the vessel at roads are very steep as against nominal charges levied prior to the revision.
- (vi). 25% rebate in the wharfage charges for small parcels which was withdrawn in the revised Scale of Rates may be restored to encourage small traders in the international trade to use the Visakhapatnam port instead of shifting to Kakinada.

3.1. The various points raised in the joint representation were discussed by the VPT with the VPUAA and other member associations; and consensus was arrived at on some of these issues. Accordingly, the VPT have submitted two lists (a) the agreed list; and, (b) the disagreed list.

3.2. The main points on which a consensus has been arrived at between the VPT and the concerned users are as follows:

- (i). Petroleum, Oil and Lubricants is proposed to be included in the definition of "POL".
- (ii). In view of the practices prevalent at other ports it is proposed to continue with the existing practice of collecting transshipment charges on 'kilo litre ' basis.
- (iii). Pilotage fees is proposed to be exempted in the following cases:
 - (a). In case a tanker after completion of discharge / transshipment in the outer harbour is nominated as daughter tanker for receiving transshipment of crude oil and if the operational requirement necessitates shifting of this tanker to the anchorage for re-berthing, the operations shall be treated as shiftings only.
 - (b). In case a daughter tanker after receiving crude oil from mother tanker at outer harbour shifts to anchorage and re-enters the harbour for discharge or transshipment of crude, such operation shall be treated as shifting only.
 - (c). Similarly, in case a tanker after discharge / transshipment of part cargo (crude oil), is shifted to anchorage and brought back to inner / outer harbour for transshipment / discharge operations, the same shall be treated as shiftings. The proposed provision is not applicable in case of tankers shifted to roads for poor performance / repairs.
 - (d). If a working vessel is shifted from the berth to anchorage to accommodate ousting priority vessel and is brought back into port subsequently, such movement shall also be treated as shifting.
- (iv). The note (1) (a) in schedule 2.2. allowing concessional levy of Pilotage fee to be modified as follows:

"Vessels entering the Port but not handling cargo or passengers."

It is also mutually agreed to delete the existing note 1(c) in schedule 2.1. in view of a similar provision existing in the Scale of Rates.
- (v). A proposal for levying consolidated charge for shifting of fenders including overtime / extra officer charges will be submitted for approval of the TAMP shortly.
- (vi). As regards the representations from the users not to levy priority berth hire charges for Thermal Coal and Coking Coal vessels it has proposed to incorporate a provision that priority berth hire charges will not be levied on vessels berthing at General Cargo Berth (GCB).
- (vii). It has agreed the suggestion of the user to substitute the word "securing" in place of "lashing" in the relevant provision of penal berth hire charges as pointed out in the joint representation.
- (viii).
 - (a). In case of supply of bunkers and or water through barges, the vessel shall be permitted to stay at berth without attracting penal berth hire for 8 hours.
 - (b). In case of supply of water, a vessel shall be permitted to stay at berth without attracting penal berth hire for 12 hours from the time of placement of barge alongside the vessel.

- (c). Vessels taking water / bunker through sources other than barge will be permitted to stay for 8 hours from the time of completion of loading / unloading the cargo without attracting penal berth hire.
- (ix). The nomenclature in Sl. No. 25 and 26 in the table prescribing commodity-wise hook shift output (Imports) is proposed to be changed as 'Coke Coal' instead of 'Lam Coke'.
- (x). Vessel anchored at road stead awaiting berthing in the port shall not pay road stead charges, however, vessels anchored at roads and proceeding to sea (except tankers nominated for transshipment) shall pay road stead charges.
- (xi). Road stead charges reduced to 12.5% of the applicable berth hire in case of crude tankers re-anchored at roads and awaiting transshipment of crude. Road Stead charges on residual cargo shall be levied on non-crane berth hire charges instead of levying it on crane berth hire charges. No road stead charges to be levied on mother/daughter tanker meant for transshipment of POL at anchorage.
- (xii). For levy of consolidated charges for bulk transshipment time frame for volumes is specified to be one quarter of a year.
- (xiii). It has proposed to insert a word "fender" after word "launches" at Sl. No.6 in schedule 3.1. pertaining to consolidated charges for transshipment of Crude and POL.
- (xiv). Consolidated charges shall also include wharfage @ Rs. 2/- per k. l. apart from the port dues, berth hire, pilotage (including one shifting) and fire float charges.
- (xv). The day of entry of vessel to be considered for conversion of dollar denominated tariff to rupee tariff in case of an import container destuffed and utilised immediately or after some period of time.
- (xvi). A list of R.R. materials is proposed to be incorporated as a foot note in the wharfage schedule.

3.3. The VPT has listed down the following issues on which it could not arrive at consensus with the port users:

- (i). The port is not willing to offer any concession in pilotage fee to small parcels.
- (ii). In case of tankers with SBT, reduced gross tonnage shall be extended only to port dues and not to all port charges.
- (iii). The users request to re-consider and reduce the shifting charges and road stead charges is not acceptable to the port. It has clarified that the very purpose of proposing steep hike in road stead charges is to discourage detention of ships at roads.
- (iv). The request to give discretionary powers to port officials / committee to exempt/condone or to waive penal berth hire charges is not acceptable.
- (v). It has not agreed to the users contention to make two separate bills for berth hire charges in case of FIO vessels.
- (vi). The suggestions made by the users for reduction in cargo-related charges; and, review of licence / stevedoring fees are not acceptable.

4. A copy of the VPT's response on the joint representation was forwarded to the members who had submitted the joint representation seeking further comments if any. Further, a copy of the joint representation and the VPT's response was also forwarded to various port users / representative bodies of port users for their comments. The comments received from them were forwarded to the VPT as feedback information.

Component II-Review of steep hike in the stevedoring/ship repairing licence fee:

5.1. The Visakhapatnam Stevedores Association (VSA) and the Vizag Ship Repairs' Welfare Society (VSRWS) have furnished separate representations relating to steep hike in stevedoring / ship repairing licence fee.

5.2. A comparative position of pre-revised and revised licence fee as given by the VPT is tabulated below:

Sr. No.	Particulars	(Rate in Rupees)				
		Pre-revised rate			Revised rate	
		Duration	Fresh	Renewal	Fresh	Renewal
1.	Stevedoring	2 years	4500	4500	3,00,000	2,00,000
2.	Ship Repairing	1 year	2100	2100	1,00,000	75,000
3.	Chipping and Painting	1 year	1100	1100	No rate prescribed	
4.	Ship Chandling	1 year	450	450	50,000	25,000
5.	Other trader licences	1 year	300	300	5,000	3,500

6.1. The VSRWS has made the following main points in its representation about steep hike in licence fee for ship repairing:

- (i). The licence renewal fee has been hiked by 3471.42% and the security deposit has been increased by 99 times as compared to the pre-revised rates. No extra facilities are offered with the proposed hike. If the renewed tariffs are made applicable, its members will have no option other than closing down their business.
- (ii). In this backdrop, the hike in the licence fee for renewal / issue of licence must be reduced to a normal level of 10% to 15% of the pre-revised fee. The security deposit may be reduced to Rs. 25000/- in the form of Bank Guarantee.

6.2. The VSA in its representation has stated that the proposal regarding increase in stevedoring licence fees was not shown to it prior to Gazette notification; and, therefore, has requested to re-open this issue for discussion; and, to give it an opportunity of hearing. In this context, it is to be clarified that the revised proposal of the VPT was not circulated to the various port users / representative bodies of port users since it was to contain only those changes which were based on discussion in the joint hearing. The VPT had included an additional entry relating to Licence fee in its revised proposal which had missed the attention of this Authority resulting in a procedural lapse of not consulting the concerned users. It was, therefore, decided to review the increase in licence fee after allowing an opportunity of hearing to all concerned. Accordingly, the representations received from the VSRWS and the VSA were forwarded to the VPT for its comments and the comments were also sought from the concerned representative bodies of port users. The comments received from various users were forwarded to the VPT as feedback information.

Component III – Proposal from the VPT for levy of additional tug hire charges in case of POL vessels.

7.1. The VPT has submitted a proposal about levy of additional tug hire charges (3rd tug) in case of the POL vessels.

7.2. The VPT has made the following main points in its proposal:

- (i). In the pre-revised Scale of Rates, additional tug hire charges for 3rd tug was prescribed @ US \$618.75 per hour or part thereof for foreign-going vessel and Rs. 20,314.00 per hour or part thereof for coastal vessel.
- (ii). At the time of the last general revision of the Scale of Rates, for the sake of simplicity and as requested by the Trade, the hire charges for 3rd tug when used for shifting was merged with shifting charges and the shifting charges were hiked proportionately.

It may be relevant to mention that the POL category was treated as separate entity and no hike in rates of POL vessels were accorded by the TAMP in the general revision Order.

- (iv). In this backdrop, it is requested either to restore the earlier practice of collecting additional tug hire charges for 3rd tug whenever used for shifting a vessel in case of POL vessels or to adopt the shifting charges applicable to other vessels for POL vessels also.

8. A copy of this proposal was forwarded to the concerned port users and representative bodies of port users for their comments. No comments have been received from any user except from the VSAA. The comments received from the VSAA are forwarded to the VPT as feedback information.

9.1. In the meanwhile, the Visakhapatnam Steamship Agents Association has brought to our notice that the VPT was levying additional tug hire charges for 3rd tug in case of POL vessel which is not in accordance with the tariff prescribed in the Scale of Rates. This matter was discussed at the joint hearing held on 6 November 2001 when the VPT was directed to stop levying this additional tug hire charges till its proposal was disposed of. A formal communication from our office was also sent to the VPT in this matter.

9.2. Subsequently, the VPT have sought clarification about the date of applicability of stay as regards levy of additional tug hire charges in case of POL vessels. The port has opined that the additional tug hire charges should not be levied from 6 November 2001 whereas the users have opined that the TAMP orders should be made applicable even in the past cases where the bills were not issued as on 6 November 2001.

9.3. It was clarified to the VPT that since the levy itself was not valid till its inclusion in the Scale of Rates the question of collecting payment does not arise at all. The VPT was, therefore, requested to wait for the decision of this Authority in this regard. The VPT was also advised that there should not be any (billing) transaction on this account till this Authority disposes of the proposal; and this position was also confirmed by the VPT vide its communication dated 25 January 2002.

10.1. Joint hearings in this case were held on 5 February 2002 and 21 January 2003 at the VPT premises. At the joint hearing, the VPT and the various port users have made their submissions on each of the components.

10.2. At the joint hearing held on 5 February 2002, the following decisions were taken based on the arguments advanced by the VPT and various user organisations present:

- (i) The VPT to file revised proposal with respect to output norms for coke/colt, roadstead charges for POL vessels and other vessels by further referring the provision given in agreed/non-agreed list.
- (ii). The users to give suggestion about the circumstances in which the norms for levy of penal berth hire charges can be relaxed.
- (iii).
 - (a). Operation of the revised rates for issuance of licences prescribed under Section 9 of the Scale of Rates notified in the Gazette of India on 4 June 2001 was stayed.
 - (b). The rates to be re-notified would be notified with retrospective effect from the date of notification of the (revised) Scale of Rates of the VPT; and, the VPT would be required to make adjustments, if any, in the billing with reference to such re-notified rates.
- (iv). The HPCL, IOC and the SCI to liaise with the VPT and submit to this Authority agreed rates for additional tug hire in case of POL vessels.

11.1. As decided in the joint hearing, the VPT vide its letter dated 19 April 2002 has submitted a revised proposal. Some of the points already agreed by the port earlier have been reiterated in this communication. The main modification / clarification made by the VPT are summarised below:-

- (i). Road Stead charges have been reduced. The charges are to be levied on a vessel's stay at roads with an exemption upto first 24 hours before berthing on her first arrival at the roads. No road stead charges in case of iron ore vessels at the time of initial entry.
- (ii). No reduction in shifting charge is considered. In case a crude tanker after discharge of cargo at outer harbour shifts to anchorage for re-berthing at outer harbour such movement will be considered as shifting.
- (ii). If a vessel during her stay occupies more than one berth then the total stay of the vessel at the berths to be added together to arrive at berth occupancy. The relevant conditionalities in this regard have also been proposed.
- (iv). It has reiterated that constituting a committee for waiver of penal berth hire charges can not been accepted since it will deprive the very objective of introducing norms for cargo handling. It has, however, incorporated the basis of arriving at the norms for berth stay in respect of vessels with varying quantities in different hatches, etc.
- (v). Hire of cranes (of outsiders) to users will be stopped in order to provide free access to users for deployment of their own private equipment. That being so, the item number 35 in Schedule 8.13 appears to be redundant and may be deleted from the Scale of Rates.
- (vi). The proposal relating to levy of additional tug hire charges in case of POL vessel was discussed with the SCI, VSAA; and, based on the consensus arrived at with them revised towage charges have been proposed for each second and subsequent shifting in case of tankers.

11.2. Subsequently, the VPT has furnished the requisite details relating to levy of penal berth hire charges. Out of 1596 vessels which sailed during the year 2002, 117 vessels attracted penal berth hire amounting to Rs.31.94 lakhs which formed 1.41% of the total berth hire charges. The predominant reasons for levy of penal berth hire have also been explained. The VPT has proposed to incorporate new clauses in order to have more clarity to work out the norms for berth occupancy.

12. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpts of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be available in our website (www.tariffauthority.org)

13.1. To summarise, the VPT has sought approval of this Authority on the following proposals/amendments in its SOR :

I. Component : Review of some of the conditionalities/tariffs in the SOR

- (i). To include Petroleum, Oil and Lubricants in the definition of "POL".
- (ii). Continue with the existing practice of collecting transshipment charges on 'K. L.'.
- (iii). Pilotage fees to be exempted in the following cases:
 - (a). In case a tanker after completion of discharge / transshipment in the outer harbour is nominated as daughter tanker for receiving transshipment of crude oil and if the operational requirement necessitates shifting of this tanker to the anchorage for re-berthing, the operations shall be treated as shiftings only.
 - (b). In case a daughter tanker after receiving crude oil from mother tanker at outer harbour shifts to anchorage and re-enters the harbour for discharge or transshipment of crude, such operation shall be treated as shifting only.
 - (c). Similarly, in case a tanker after discharge / transshipment of part cargo (crude oil), is shifted to anchorage and brought back to inner / outer harbour for transshipment / discharge operations, the same shall be treated as shiftings. The proposed provision is not applicable in case of tankers shifted to roads for poor performance / repairs.
 - (d). If a working vessel is shifted from the berth to anchorage to accommodate ousting priority vessel and is brought back into port subsequently, shall also be treated as shifting.
- (iv). The note 1(a) under 2.1. prescribing concession in pilotage fee on vessels entering the harbour for repairs, bunkers and water may be deleted and substituted as follows:

"Vessels entering the port but not handling cargo and not disembarking or embarking passengers."

Also, the existing note (1)(c) in schedule 2.1.- Port Dues may be deleted.
- (v). To incorporate a provision in the Scale of Rates that priority berth hire charges will not be levied on vessels berthing at General Cargo Berth (GCB).
- (vi). To replace the word "lashing" with the word "securing" in clause (i). (a) in schedule 2.3.8- Penal Berth hire Charges.
- (vii). Penal Berth Hire Charges:
 - (a). Incorporate the following clauses as note (iv) in schedule 2.3.8 Penal Berth Hire Charges in Section -2 Vessel Related Charges:

“(iv). The berth occupancy for each vessel for the purpose of levy of penal berth hire charges shall be subject to the following conditions:

- (a). For deciding the period of stay of a vessel, number of shifts lost due to Port labour strike and labour holiday shall be excluded.*
- (b). The shift in which the vessel is berthed shall not be deciding the vessels stay at berth since normally vessels are berthed in the middle of shift resulting in engagement of less number of hooks.*
- (c). The period during which the floating crane was not supplied(night shifts) due to safety reason or when the floating crane is engaged for the ship’s cargo but not alongside the ship shall be excluded.*
- (d). In case of new cargoes, average performance of three consignments shall be fixed as “NORM” tentatively which will be reviewed after six months for further refinement.*
- (e). Shifts during which Port labour/ Dock Labour stop the work demanding settlement of issue shall be excluded.”*

- (b). (a). In case of supply of bunkers and or water through barges, the vessel shall be permitted to stay at berth without attracting penal berth hire for 8 hours.
- (b). In case of supply of water, the vessel shall be permitted to stay at berth without attracting penal berth hire for 12 hours from the time of placement of barge alongside the vessel.
- (c). Vessels taking water / bunker through sources other than barge will be permitted to stay for 8 hours from the time of completion of loading / unloading the cargo without attracting penal berth hire.
- (d). The nomenclature in Sl. No. 25 and 26 in the table prescribing commodity-wise hook shift output (Imports) in item (ii). Schedule 2.3.8 to be changed as ‘Coke Coal’ instead of ‘Lam Coke’.

(viii). Road Stead charges:

- (a). Road stead charges for vessels are reduced; road stead charges introduced on crude tanker re-anchored at roads and awaiting transshipment of crude. The road stead charges proposed by the port are as follows:

Particulars	Vessel anchored at roads	Crude tankers re-anchored at roads and awaiting transhipment of crude
	% of the applicable berth hire charges	% of the applicable berth hire charges
First 24 hours	Nil	Nil
After 24 hours and upto 10 days	10%	5%
11th day to 20th day	20%	7.5%
21st day onwards	75%	75%

- (b). Road stead charges on residual cargo to be levied on non-crane berth hire charges instead of levying it on crane berth hire charges.
- (c). This charges are to be levied on a vessel's stay at roads with an exemption up to first 24 hours before berthing, on her first arrival at the roads. In case of iron ore vessels no road stead charges shall be levied at the time of initial entry.
- (d). Vessel anchored at road stead awaiting berthing in the port shall not pay road stead charges, however, vessels anchored at roads and proceeding to sea (except tankers nominated for transhipment) shall pay road stead charges.
- (e). No road stead charges shall be levied on mother / daughter tanker meant for transhipment of POL at anchorage.
- (ix). Berth hire Charges:
- If a vessel during her stay occupies more than one berth then the total stay of the vessel at the berths will be added together to arrive at berth occupancy. Berth hire charges shall be levied as applicable to the respective berths; and, berth hire charges for the residual period if any, after converting the total stay into units of 8 hours will be levied as specified below:
- (a). Crane berth hire charges if all are crane berths.
- (b). Non- crane berth hire charges if all are non-crane berths.
- (c). Crane berth hire charges if berths are both crane and non-crane.
- (x). For levy of consolidated charges for bulk transhipment time frame for the volumes is specified to be one quarter.
- (xi). Insert a word "fender" after word "launches" at Sl. No.6 in Schedule 3.1. - Consolidated charges for transhipment of Crude and POL any where in outer harbour.
- (xii). The existing note no. (4) in Schedule 3.1. to be modified to state that Consolidated charges shall also include wharfage @ Rs. 2/- per k. l. apart from the port dues, berth hire, pilotage (including one shifting) and fire float charges.
- (xiii). The day of entry of vessel to be considered for conversion of dollar denominated tariff to rupee tariff in case of an import container destuffed and utilised immediately or after some period of time.

- (xiv). Wharfage on automobiles to be continued to be dealt with under the unenumerated category. The following list of R.R. materials to be incorporated as a foot note against item 32 in the wharfage schedule :

Sr. No.	List of R. R. materials:	Grades
1.	Fused Magnesia / Fused Magnesite /Dead burnt magnesite / DBM, Clinker/F.M.	92 to 97,97.5
2.	Chinese dead burnt magnesite	9460
3.	Chinese fused magnesite	
4.	Chinese fused magnesite	97100
5.	Magnesia Grog, Magnesium Clinker & Sea water magnesite	
6.	Reframul	60,70,90
7.	Al/Mg Alloyed powder	
8.	Brown fused Alumina or BFA	
Sr. No.	List of R. R. materials:	Grades
9.	Grades I, II and III of : Calcined Bauxite / Rotary Kiln calcined Bauxite/Round Kiln calcined Bauxite / Rotary Kiln Bauxite / Shaft Kiln Bauxite/ Shaft Kiln calcined Bauxite / Refratar Bauxite / Star Bauxite / Round Kiln Super Grade.	
10.	Round Kiln Mid.Iron-2 Grade	
11.	Magnesia bricks / Magnestie brick / Magnesia brick grog / Magnesite Brick Grog.	

- (xv). To delete item number 35 in Schedule 8.13 from the Scale of Rates as it is redundant .

II. Component- Review of steep hike in the stevedoring / ship repairing licence fee:

- (i). The VPT has clarified that the review of steep hike in stevedoring and ship-breaking licence fees may be decided by the TAMP.
- (ii). The VSAA and VSRWS have requested to reduce the hike in licence fee for renewal / issue of licence to 10% to 15% of the pre-revised rate as applied for the other tariff items;and , to reduce security deposit to Rs.25,000/- in form of Bank Guarantee.

III. Component – Proposal from the VPT for levy of additional tug hire charges in case of POL vessels.

The proposed composite towage rate for each second and subsequent shifting in case of tankers as given below:

Description	Foreign-going vessel (in US \$)	Coastal vessel (in Rs.)
Upto 65,000 DWT	Nil	Nil
65,000 DWT to 1,15,00 DWT	1250	41,000
Above 1,15,000 DWT	2500	82,000

- 13.2. The VPT has stated that following suggestions of the port users are not acceptable to it:

- (i). Concession in pilotage fee and wharfage charges for small parcels.
- (ii). In case of tankers with SBT, reduced gross tonnage shall be extended only to port dues and not to all port charges.
- (iii). The request to give discretionary powers to port officials / committee to exempt/condone or to waive penal berth hire charges is not acceptable.
- (iv). The users contention to make two separate bills for berth hire charges one for 60% and the another for 40% is also not acceptable.
- (v). Reduction in shifting charges is not acceptable.
- (vi). Similarly request for reduction in wharfage on automobiles and few other cargo items is not acceptable. Wharfage rate for automobiles may continue to be dealt with under the unenumerated category.

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

- (i). This Authority had passed an Order on 16 May 2001 approving the general revision proposal of the VPT. The VPUA and other user organisations have submitted a joint representation in July 2001 suggesting for some amendments/ modifications in the Scale of Rates. The various suggestions made by the users were discussed by the VPT with the concerned port organisations and an agreed list and disagreed list have been submitted to this Authority for approval.

This proposal from the VPT is for amendments/ modifications to its existing Scale of Rates.

- (ii). The road stead charges prescribed in the existing Scale of Rates are 25% to 50% of the applicable berth hire for the number of stay at the anchorage. The VSAA and the other users have pointed out that the existing road stead charges are very high in comparison to the berth hire charges applicable at moorings. In line with the suggestions of the users, the VPT has proposed to reduce the existing road stead charges to a level of 10% to 20% of the applicable non-crane berth hire charges for the vessels stay upto 20 days and 75% in case a vessels stay at anchorage beyond 20 days. The proposed charges are less than the rate applicable at moorings. Levy of anchorage fee is in vogue in most of the major ports but a separate charge is prescribed without linking it to the berth hire. The VPT has already been advised by this Authority to prescribe separate rates for anchorage fees without linking them to berth hire. Even though the VPT has been advised to submit a proposal in this regard, we have not received any such proposal from the VPT so far. The VPT is ,therefore, advised to expedite submission of its proposal. Notwithstanding this position, this Authority approves the proposed reduction in the road stead charges since this has been mutually agreed between the port and the concerned users.

The road stead charges on residual cargo is proposed on non-crane berth hire charges instead of its application on crane berth hire charges in the existing SOR. As rightly stated by the users, crane element built in the road stead charges has no relevance for levy of road stead charges and hence this modification is accepted.

Road stead charges in the range of 5% to 7.5% of the applicable berth hire charges have been proposed for tankers re-anchored at roads and awaiting transshipment of crude oil. The VPT has proposed not to levy any road stead charges on iron ore vessels at the time of initial entry and for mother

tanker/daughter tankers nominated for transshipment of POL at anchorage. Further, it is proposed not to levy roadstead charges on vessel anchored at roadstead awaiting berthing in the port, however, roadstead charges shall be levied if the vessels anchored at roads proceed to sea except in case of the tankers nominated for transshipment. Since all the above modifications are an agreed formulation with the concerned users this Authority is inclined to approve this proposal of the VPT.

- (iii). The VPT has agreed to modify definition of the POL, to correct some of the typographical errors, to levy concessional pilotage on vessels not handling cargo or passengers, to incorporate a list of R.R. materials as a foot note in the wharfage schedule, to change the nomenclature of 'Coke Coal' in the commodity-wise hook shift output (Imports) as 'Lam Coke', prescribe time limit of one quarter for the volumes stipulated in the Scale of Rates for levy of consolidated charges for bulk transshipment, etc. These modifications are in line with the request from the user organisations and hence this Authority has no reservation in approving the same.
- (iv). The users have pointed out that that priority berth hire charges were not levied for thermal coal and coking coal vessels as per the provisions prescribed in the pre-revised Scale of Rates, however, the existing Scale of Rates does not stipulate this exemption. In this regard the VPT has proposed not to levy priority berth hire charges on the vessels berthing at the General cargo berth. It may be relevant to mention that in the general revision Order passed by this Authority it was specifically mentioned that in line with the decisions taken at the other major port this Authority does not approve or disapprove the priority berth arrangement at the VPT; and; the VPT was advised to continue to levy the charge as hitherto until the a final view is taken for common adoption at all the major ports. That being so, the VPT is advised to incorporate the pre-revised condition relating to non levy of priority berth hire charges in case of thermal coal and coking coal vessels.
- (v). The users have contended that the shifting charges prescribed on the basis of the GRT are very high and expensive and should be reduced to a reasonable level. They have also requested for reduction in the wharfage rate for raw petroleum coke and calcined petroleum coke. The VPT has not agreed for any reduction in the shifting charges and wharfage charges. It may be relevant to mention here that the existing tariffs were fixed based on the financial position derived from the cost statements by adopting the cost plus formula. The users have not pointed out any error apparent on the face of the record warranting a review of the tariff already fixed. That being so, reduction in the shifting charges and wharfage rates for a few cargo items is not found to be necessary at this juncture.
- (vi). The users have contended that all shifting from/to anchorage must attract normal shifting charges and not pilotage fees. In this regard the VPT has proposed to exempt those tankers/daughter vessels from second levy of pilotage fee which are shifted to anchorage after completion of discharge/transshipment at the outer harbour due to operational requirement and thereafter re-enter the harbour discharge/transshipment operations. The proposed provision is not applicable in case of tankers shifted to roads for poor performance/repairs. Further, if a working vessel is shifted from the berth to anchorage to accommodate ousting priority vessel and is brought back into port subsequently is to be treated as shifting only.

The term 'Shifting' generally means movement of vessel within the same harbour or from inner harbour to outer harbour or vice versa. It may be relevant to mention that all movements between berths and anchorage will attract levy pilotage fee. As per the accepted definitions of shifting, the proposed movements of vessels cannot be classified as shifting; it undoubtedly qualify for levy of pilotage fee. The VPT has conceded the users request

partially and has proposed to consider these specific movements as shifting. Since this proposal is made by the port based on its commercial judgement, this Authority approves this proposal of the VPT.

- (vii). The VSAA have pointed out that in case a vessel handles cargo at more than one berth the VPT collected the berth hire charges berth wise for each block of 8 hours instead the summing of total stay at the berths for the purpose of levy of berth hire charges. The VPT at the joint hearing earlier agreed to accept this proposition subject to levy of the higher of the applicable berth hire rates.

Subsequently, the VPT has modified this proposition so as to levy berth hire charges for the respective berths; and, for the residual period arrived at after converting the total stay at all the berths into units of 8 hours, the berth hire charges shall be levied based on its stay on crane berth/non-crane berth or both these berth during its stay in the port. In this context it may be relevant to state that this Authority in such cases adopts the principle of allowing carry forward of the status obtained at the beginning of the eight hour block. Nevertheless, since the users have agreed to the proposed formulation the proposed modification is approved.

- (viii). With reference to levy of penal berth hire charges, the users feel that it will be impractical to apply hook-output norms in a strait jacketed manner to all cases; there should be a committee/sub-committee to analyse the reasons for non-achievement of norms; and, to exempt/condone levy of penal berth hire charges in genuine cases. The VPT is firmly of the view that there shall be no discretion at all to relax the norms fixed. The CSLA have pointed out that the reasons for exemptions in levy of penal berth hire must be included in the Scale of Rates if port is hesitant to use their discretion.

In this regard, the VPT has proposed to incorporate a few conditionalities for levy of penal berth hire in order to have more clarity in arriving at out put norms for berth occupancy. It has proposed to exclude the number of shifts lost due to port strike, none supply of floating crane in night shifts, etc., while arriving at the output the norms. It has also stipulated the period for which penal berth hire shall not be levied in case of supply of bunkers and or water through barges. The proposed provisions appear to be reasonable as they will provide greater clarity to the arrangement envisaged and will benefit the users and, therefore, are accepted.

- (ix). In order to provide free access to users for deployment of their own private equipment, the port has decided to stop hiring out the equipment of outsiders. In view of this the port has requested to delete the hire charges of wagons in the existing Scale of Rates as redundant. The proposed deletion appears to be reasonable and hence this Authority has no reservation in accepting the same.
- (x). The VPT has proposed to modify the existing note no. (4) in Schedule 3.1. to state that Consolidated charges shall also include wharfage @ Rs. 2/- per k. l. apart from the port dues, berth hire, pilotage (including one shifting) and fire float charges. Since this modification is mutually agreed with the users and shall be for the benefit of the user, this Authority is inclined to incorporate the proposed modification in the Scale of Rates.
- (xi). The VPT has not allowed any concession in pilotage fee and wharfage rate for small parcels requested by the users. It is relevant to mention that the issue relating to concession on small parcels has already been dealt with in the last general revision Order and hence there does not appear to be any reasons for a review now.

- (xii). Similarly the users demand for a separate wharfage rate for automobile has not been accepted by the VPT since hardly ten number of automobiles are handled per annum. That being so, as stated by the VPT the wharfage rate on automobile will continue to be levied as unenumerated category.
- (xiii). The users have requested that in case of the segregated ballast tank the reduced gross tonnage may be applied for all the port charges instead of restricting its application to port dues. This Authority has passed an Order for common adoption for all the major ports prescribing that in case of segregated ballast tank the reduced gross tonnage shall be consider only for levy of port dues. The contention of the VPT is in accordance with the stated position of this Authority and hence is accepted.
- (xiv). The users have requested that the composite berth hire charges should be split into cargo-related charges and vessel related charges. This issue has been already settled by this Authority in the case relating to a representation filed by the MANSA. In that case it was held that there would be no justification to split the berth hire charges; and, the entire berth hire charges should be payable to the port by the vessel. No extraordinary circumstances emerge at the VPT warranting a review of the decision taken in the MANSA case.
- (xv). The VSRWS and the VSA have pointed out that the increase in licence fee for ship repairing and stevedoring in the revised Scale of Rates is manifold and a huge jump from a meagre Rs. 4500/- to Rs. 2 lakhs and 3 lakhs is not justified. The VSRWS have also pointed out they were not consulted before approving these rates. It has been observed that while processing the general revision proposal of the VPT in 2001, the port had included an additional entry relating to licence fee in its revised proposal which had missed the attention of this Authority causing a procedural lapse of not consulting the users concerned. It has however been rectified now by admitting a review case which has been processed following the usual consultation procedure prescribed.

As stated above the steep hike in the licence fee missed the attention of this Authority. The argument of the VPT that the steep hike was proposed to avoid entry of frivolous people does not appear to be reasonable. In fact the port can tackle this aspect by prescribing suitable licencing conditions. Higher fee alone may not deter entry of unscrupulous elements. Further, it is to be recognised that licence fee is not a source of revenue. The VPT also accepts this position. That being so, there is a strong case for reviewing and reducing the licence fees earlier approved. The users have suggested that the increase in licence fee may be restricted to 10%-15% of the earlier rates. It is relevant to mention that in the general revision Order of the VPT passed by this Authority, 15% hike in the rates were accorded for other services based on the position obtained from the cost statements. Since the income from licence fee will also come under this category, the stay granted earlier is vacated and a 15% hike in the licence fee for issue of fresh licence or for renewal of the licence over the pre-revise rate is allowed.

As already stated in our interlocutory order, the revised licence fee would be applicable with retrospective effect from the date of implementation of this Authority's Order notified on 6 June 2001. The VPT is advised to refund the excess licence fee collected during the intervening period.

The VSRWS has informed about an interim order passed by the Hon'ble High Court of Andhra Pradesh requiring payment of only 30% of the revised licence fee for ship-breaking. The VSRWS has indicated its desire to settle the matter out of court if suitable relief is provided to them. In view of the interim order of the High Court, the decision taken now for a retrospective downward revision of the licence fee for ship breaking will come into effect subject to the final

order of the High Court. The VSRWS may take appropriate action before the High Court in this connection.

- (xvi). The pre-revised Scale of Rates, prescribed tariff for additional tug hire charges for 3rd tug which was merged with the shifting charges at the time of last general revision proposal and hence the tariff entry for hire of 3rd tug was deleted in the SOR. In case of POL vessels no increase in tariff was allowed earlier and hence the shifting charges for POL vessels were maintained at the then existing level. Based on the information received from the VSAA that the port is levying additional tug hire for POL vessels, the VPT was advised to stop levying this charge which was not in accordance with the SOR.

The port has pointed out that it incurs loss since no tariff exists for hire of 3rd tug to POL vessels. In fact, the port should provide number of tugs required for shifting a vessel and include them in the composite shifting charges. Notwithstanding this position, since the VPT has proposed a composite towage rate for each second and subsequent shifting of tankers, and that too based on a consensus arrived at with the SCI and VSAA, this Authority is inclined to approve this proposal of the VPT.

15. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the following:

- (i). The amendments and modifications to the existing Scale of Rates as proposed by the VPT in para 13.1 (I) above are approved.
- (ii). (a). The existing tariff prescribed in Section-9 Charges for issuance of licence is deleted and substituted as follows:

(Rate in Rupees)

Sr. No.	Particulars	Rate per licence		
		Duration	Fresh	Renewal
1.	Stevedoring	2 years	5175	5175
2.	Ship Repairing	1 year	2415	2415
3.	Chipping and Painting	1 year	1265	1265
4.	Ship Chandling	1 year	517.50	517.50
5.	Other trader licences	1 year	345	345

- (b). The licence fee mentioned above will be made applicable from the date of implementation of this Authority's Order no. TAMP/103/2000-VPT notified on 4 June 2001 vide Gazette number 143.
- (c). The VPT should refund the excess licence fee collected.
- (d). The modification in the licence fee for ship repairing is subject to the final outcome in the Writ Petition filed by the VSRWS before the Hon'ble High Court of Andhra Pradesh.
- (iii). (a). The composite towage charges for second and subsequent shifting in case of POL vessels as proposed by the VPT at para 13.1. (III) is approved.

16. The amendments relating to vessel related charges approved by this Authority vide paragraphs 15(i) and 15(iii) above will come into effect 30 days after the date of their notification of the Order in the Gazette of India. The amendments relating to cargo related charges will come into effect 15 days after the date of their notification of the Order in the Gazette of India.

(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/104/2001-VPT - Representations from various port users for (i) review of the Scale of Rates on some of the cargo related / vessel related charges; (ii) review of steep hike in the stevedoring/ ship-repairing licence fee; and, (iii) proposal from the VPT for levy of additional tug hire charges in case of POL vessels.

1. The comments received from the port users / representative bodies of port users on each of three components in this case are summarised below:

Component I –Review of the some of the conditionalities/tariffs in the SOR:

Visakhapatnam Steamship Agents' Association (VSAA)

- (i). It has reiterated the points made in the joint representation about high road stead charges being in comparison to the berth hire charges applicable at moorings, concession in pilotage fee for small parcels to be restored etc.,
- (ii). The element of shifting charges may be delinked from the pilotage fees and, the pilotage fee may be reduced accordingly.
- (iii). A committee may be nominated by the port to look into the various reasons for non-achievement of norms before levying any penal berth hire.
- (iv). There was no detention of vessels at anchorage to an extent warranting a steep increase in road stead charges. The VPT was directed to review the road stead charges after six months as per the TAMP Order. The status of review is not known.
- (v). The VPT has agreed to give concession in road stead charges only in respect of transshipment tankers leaving product tankers and crude discharge tankers for payment of steep road stead charges. All POL tankers may be charged road stead charges as per the pre-revised rates.
- (vi). In case a vessel handles cargo in more than one berth in a single call the port is collecting berth-wise berth hire charges instead the

total stay at all the berths should be added together and berth hire charges should be collected accordingly.

- (vii). Concession in the wharfage rates are very helpful for small parcels as well as coastal vessel movements. Since the Ministry also emphasises coastal movement of cargo, the earlier provision allowing 25% rebate in wharfage rate may be restored for parcels upto 5000 MT.

Container Shipping Lines Association (CSLA)

- (i). The increase in the shifting charges at least for the higher GRT vessels (vessels between 25,000-30,000 GRT and 30,001 GRT and above) where the impact of the increase is 6 to 9 times as compared to the earlier rates must be implemented in a gradual manner. To begin with increase should be pegged not more than twice the old rate.
- (ii). Considering the pilotage fee includes one inward, one outward movement and one shifting within the harbour, the pilotage fee need to adjusted to exclude the cost of one shifting.
- (iii). It prima facie agrees with the views of the VPUA as regards exemptions to be allowed in levy of the penal berth hire charges for slow down / stoppage or for extra work to be carried out due to bad weather condition, failure of port to supply the requisite handling equipment on time, etc.
- (iv). The reasons for exemptions in levy of penal berth hire must be included in the Scale of Rates if port is hesitant to use their discretion. A final market sensitivity study must be done before arriving at a final conclusion.

Component II-Review of steep hike in the stevedoring/ship repairing licence fee:

Visakhapatnam Stevedores' Association (VSA)

- (i). Nowhere in any major or minor port of India such a huge license fee is levied for issue of stevedoring licence.
- (ii). The present increase in the licence fee is manifold and a huge jump from a meagre Rs. 4500/- to Rs. 2 lakhs and 3 lakhs. Such an unprecedented increase is not rational and also imposes unfair burden on stevedoring trade.
- (iii). Huge licence fee should not be the criterion for issuance of stevedoring licence. Firm's standing, backup support from import and export trading organisation, ability to augment new business,

etc., should form the qualifying factors for awarding stevedoring licence.

Visakhapatnam Steamship Agents' Association

It has reiterated the comments of the VSA in this matter.

The Container Shipping Lines Association

- (i). It endorses the views of the VPUA as regards review of steep hike in the stevedoring / ship-repairing licence fee.
- (ii). A revenue generation exercise should not turn out to be a deterrent for wider participation and competition, otherwise this could lead to monopolies and in turn escalation of costs. The fee should, therefore, be rationalised.

Component III – Proposal from the VPT for levy of additional tug hire charges in case of POL vessels.

Visakhapatnam Steamship Agents' Association

- (i). Due to lacuna in the earlier Scale of Rates, the VPT was charging additional tug hire charges for shifting of tankers.
- (ii). At the time of general revision of Scale of Rates it was insisted that there should not be a separate tariff for additional tug hire charges which was agreed by the VPT; and, accordingly, the Port had removed this tariff item on specific request.
- (iii). This charge is very much subjective in nature and it is difficult to have clear cut idea of the amount of expenditure involved to enable the Agents/Owners to make provision for this charge. It depends upon the number of tugs used and time involved for each tug which always varies. It is, therefore, felt that there should not be any additional tug hire charge.

2. A joint hearing in this case was held on 5 February 2002 at the VPT premises. At the joint hearing, the following submissions were made in respect of each of the components:

Component (I):

A. List of agreed points:

- (i). The list of agreed points, as read out by the Deputy Chairman of the VPT, is endorsed by all the users with some minor modifications.

- (ii). Items 2.1 and 2.2 listing the various movements of vessels as shifting for the purpose of levy of tariff are singled out for specific mention as items involving only partial agreement. The users point out that the agreement in this case is only partial in the sense that the VPT has accepted only one portion of their contention. According to the users, all shifting from/to anchorage must attract only normal shifting charges and not 'pilotage fees'. Although after the discussion, the users feel constrained to accept the VPT formulation, they nevertheless wish to reiterate their original demand. On the basis of the discussion at the joint hearing, it is agreed that the arrangement described will not be applicable to cases of tankers shifted to the roads for poor performance/repair. In such cases, only normal shifting charges as applicable will be levied.
- (iii). On item 5.3 there is some reservation in the minds of the users about the general classification 'coke/coal'. In practice it may be difficult to deal with hundreds of grades of coke under one such category. Both sides have agreed to attempt a different formulation, if possible, within one week failing which the formulation suggested in the VPT proposal may be accepted.
- (iv). In item 6.1, the observation "yes" by the VPT has to be taken to mean that a conditionality will have to be incorporated in the SOR to prescribe that when a vessel shifted to anchorage waits at anchorage and thereafter reberths will be liable to pay roadstead charges.
- (v). On item 6.2, it is recognised that the action required to be taken has already been spelt out in the general revision order wherein the VPT has been required to formulate rationalised proposals for anchorage fees/roadstead charges. In the light of a representation made by one user subsequently about not linking anchorage fee/roadstead charge to berth hire, the VPT requests for three weeks time to discuss the matter further with all concerned and formulate appropriate proposals.
- (v). On item 7, about the date to be reckoned with for adopting the rate of exchange, it is pointed out both to the VPT and the users that there is no need of any fresh proposals from any one. The Authority has already passed a common adoption order in the matter; the VPT has only to incorporate it accordingly in its Scale of Rates.

B. List of non-agreed points:

- (i). The three issues relating to 'pilotage fees' have already been decided by the Authority. The users are merely reiterating their demands. No 'error apparent on the face of the record' has been

pointed out to justify the demand for a 'review'. The VPT says that there is, therefore, no point in pursuing these issues.

- (ii). With reference to 'penal berth hire charges', the users feel that it will be impractical to apply hook-output norms in a strait jacketed manner to all cases; there has to be scope for flexibility to alter the norms with reference to unique features of selected cases. The VPT is firmly of the view that there shall be no subjectivity requiring exercise of any discretion at all. In this backdrop, it is clear that there is no 'error apparent on the face of the record' on this issue to warrant a 'review'. If at all, a fresh proposal will have to be made listing out the extraordinary circumstances warranting exceptional consideration.
- (iii). As regards 'roadstead charges', the VPT has agreed to review the position and submit fresh proposals within three weeks.
- (iv). As regards the demand for a separate listing of wharfage for automobiles under 'cargo related charges', in view of the position reported by the VPT that hardly ten automobiles are imported annually, it is agreed that such cases can continue to be dealt with under the 'un-enumerated' category.
- (v). As regards the other issues raised under the head 'cargo related charges', since they are all only reiteration of earlier proposals which have already been decided by the Authority, and since no 'errors apparent on the face of the record' have been pointed out, the VPT proposes not to take any further action on them.
- (vi). As regards the issue relating to 'berth hire charges', in view of the Order passed by the Authority in the case arising from a petition on the same subject filed by the MANSAA, it may be difficult for the Authority to reopen this matter notwithstanding reiteration of this demand by the users.
- (vii). Relating to 'berth hire charges', another point emerged during the arguments. This issue is about levy by the VPT of two berth hire charges in cases in which a vessel shifts from one berth to another during an eight hour block. The demand is for levy of only one berth hire. The VPT is willing to accept the proposition provided the higher of the two berth hire rates is leviable. It is clarified in this context that the Authority in such cases, ordinarily adopts the principle of allowing carry forward of the status obtained at the beginning of the eight hour block.

Component (II):

Visakhapatnam Port Trust

- (i). These rates were revised after a long time.
- (ii). We admit, these fees are not regular sources of revenue to us. We proposed to hike the fees in our general revision proposal to avoid frivolous people.
- (iii). Since stevedores function inside port, their activities earn/spoil name of the port.
- (iv). After introduction of revised rates, entry of frivolous people has reduced.
- (v). The Ship Repairs Society has filed a case in High Court of Andhra Pradesh. The Andhra Pradesh High Court ordered (interim) collection of only 30% of the fee prescribed and allow renewal of licence.

Visakhapatnam Stevedores Association & VSRWS.

- (i). Higher licence fee may not curb entry of unscrupulous elements.
- (ii). Instead of hiking the fee, the VPT can insist for ISO 9001 certificate.
- (iii). They can also undertake inspection of our ship yards.
- (iv). All ports must have uniform rates. After all, licence fee is not based on any cost.
- (v). VPT cannot demand renewal fees on pro-rata basis.
- (vi). Please make licences valid for two years.

Component (III):

Visakhapatnam Port Trust

- (i). POL rates were not revised at the last general revision. Definition of shifting, was, however, rationalised to include provision of 'any number of tugs'.
- (ii). We will propose a composite rate based on vessel's size within 15 days.

Shipping Corporation of India Limited

- (i). We can have higher charge for shifting. But, have a composite rate. Don't link it with number of tugs.

- (ii). We will propose a composite rate based on vessel's size within 15 days.

Hindustan Petroleum Corporation Limited

- (i). The Scale of Rates says provision of 'additional tugs, covered in the prescribed fee.
- (ii). Break-up of pilotage fees is necessary.
- (iii). With APM going soon, we have to load the additional cost on customers.
- (iv). Please give us rebate in pilotage because we don't avail shifting'.

3.1. At the joint hearing, the HPCL has filed further written submissions, which are summarised below:

HPCL's submissions on component (III) additional tug hire charges on POL vessels

- (i). The breakup of various elements of cost in the pilotage fee i.e., service of pilot, cost of one shifting, towing, mooring and unmooring needs to be provided. This will indicate that the existing levy itself is unjustifiable.
- (ii). Since service for additional tug is already included in the Pilotage fee, levy of a separate rate for additional tug hire is not appropriate.

3.2. At the joint hearing, the VSRWS has submitted a written submission along with a copy of the High Court Order dated 8 January 2002. The important points made in the written submissions are summarised below:

- (i). The VPT was requested to consider the reduced percentage increase in the licence fee (10% to 15%) subject to a maximum of 50% of the original amount; however, the VPT has not responded till date.
- (ii). A Writ Petition was, therefore, filed in the High Court of Andhra Pradesh. As per the interim order passed by the High Court of Andhra Pradesh, 30% of the VPT's demand is payable as a temporary measure till the case is finally disposed. Even this is beyond their capacity to pay.
- (iii). Since it is interested to solve this issue out of the Court, it has requested to grant a suitable solution by considering reduction of licence fees.

4.1. A second joint hearing was held on 21st January 2003 . At the joint hearing the following submissions were made:

Component (I):
Visakhapatnam Port Trust & Users

- (i). Agreed List – we have no further arguments. Please pass orders

Visakhapatnam Port Trust

- (i). We are not in favour of concessions to small parcels.
- (ii). We do not agree to reduction in shifting charges.
- (iii). We do not want any discretion to relax the norms fixed.
- (iv). We have reduced road-stead charges. Now, it is based on non-crane berth hire charges. No road-stead charge to be levied when a vessel waits for berthing on arrival.
- (v). We do not agree to split berth hire into 60% on vessel and 40% on cargo.
- (vi). When we implement hourly berth hire charges, the problem of levying different charges for two different berths occupied by same vessel in the same 8-hour block will be adequately addressed.
- (vii). We welcome TAMP's suggestion to introduce hourly berth hire rates.

Indian National Shipowners Association (INSA)

- (i). We lose business from small parcel. We will furnish details of tonnage handled in small parcels.
- (ii). Fixing norms with reference to average will not render justice in all cases. There must be a discretion to examine merit of individual cases.

Visakhapatnam Steamship Agents' Association (VSAA)

- (i). Everything cannot be seen from cost angle. We agree to increase in shifting charge in a phased manner; but not a steep one.
- (ii). We will make a written submission on road-stead charges within 15 days.

Container Shipping Lines Association (CSLA)

- (i). Increase in shifting charges is too steep.
- (ii). Shifting charges are linked to pilotage. So, please exclude one free shifting included in pilotage.
- (iii). Penal berth hire should not apply when work stops due to bad weather.

Component II : Review of Licence fees for Stevedoring, ship-repairs, etc.

Visakhapatnam Port Trust

- (i). Our proposal is not for increasing revenue. The objective is to keep unscrupulous elements away.
- (ii). We have to have same level of SD for different licenses. We, however, agree to accept BG for security deposit.

Visakhapatnam Stevedores Association (VSA)

Please take national average to fixing licence fees. Enhancing licence fee is not a solution to keep unscrupulous elements away.

Ship repairs Association

- (i). Please limit the increase to a maximum of 50%; not by 3000%.
- (ii). Please retain the security deposit at Rs 1000/- instead of cash, please take SD in bank guarantee.

Component III : Additonal tug hire charges for POL vessels

Shipping Corporation of India Limited (SCI)

The revised proposal of VPT is agreeable to us.

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