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**TARIFF AUTHORITY FOR MAJOR PORTS**

G. No. 182

New Delhi, 7 November, 2003

**NOTIFICATION**

In exercise of the powers conferred under Section 48 of the Major Port Trust Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby approves the proposal of the Tuticorin Port Trust for extending the validity of the existing hire charges of 20 T grab wharf crane as in the Order appended hereto.

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

**Tariff Authority for Major Ports**  
**Case No. TAMP/12/2003-TPT**

The Tuticorin Port Trust

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Applicant

**ORDER**

(Passed on this 22nd day of October 2003)

1.1. This Authority had passed an Order on 17 March 2003 fixing charges for three 20 T grab wharf cranes of the Tuticorin Port Trust (TPT) on an adhoc basis for the period of six months. The said Order was notified in the Gazette of India on 12 April 2003 vide Gazette Number 52. This Authority approved inclusion of the following provisions in the Scale of Rates of the TPT to remain valid upto 30 September 2003:

- (i). *Scale 5.2.2 – Charges for hire of wharf cranes and other mechanical equipments to masters, owners or agents of vessels:*

*“Use of 20 T (Grab) wharf crane Rs.9,636/- per shift and Rs.4,818/- per half shift or part thereof.”*

- (ii). *Scale 5.3. - Charges for hire of cranes, fork lift trucks and other mechanical appliances for purposes not specified in Schedule 5.2.1. and 5.2.2.*

*Sl. No. 7 – Wharf Grab Cranes (20 Tonne) – Rs 3308/- per hour or part thereof.*

*“Wharf Crane (10 tonnes and below) – Rs.295/- per hour or part thereof.”*

*“For those berths where the new 20T cranes are installed, the TPT should levy berth hire charges applicable for non-crane berths provided no other wharf crane is supplied thereat against the levy of berth hire charges.”*

1.2. In the said Order, the TPT was advised to submit its proposal based on the experience gained in operation for fixing the revised rates applicable beyond 1 October 2003.

2. With reference to this Order, the TPT vide its letter dated 6 October 2003 has requested this Authority to extend the validity of the existing hire charges for 20T grab crane till 31 March 2004. The TPT has given the following main reasons for extension of the existing rates:

- (i). The subject cranes were formally commissioned on 11 January 2003 and were spared for handling cargo for a short period upto 19 February 2003.
- (ii). During the cargo handling operation, there was a problem in luff gear box on all the three new grab cranes and hence the supplier of the crane was requested to re-commission these cranes after rectifying all the defects. These cranes are yet to be deployed for effective cargo handling operation.
- (iii). The port will be in a position to submit revised proposal based on the experience gained in the operation only after the cranes are formally handed over by the supplier to the port. In the light of the above, the existing rate may be allowed to continue up to 31 March 2004.

3. The TPT has also clarified that the rate proposed for 20T grab wharf crane is the extra charge to be levied for grab alone. It has clarified that wharf crane charge excluding grab is merged with the berth hire charge. The TPT has, therefore, requested to delete the clause prescribing levy of non-crane berth hire charge where the 20T grab wharf crane are provided.

4.1. It may be relevant here to recall that the hire charges in this case fixed earlier by this Authority are not cost based rates but derived from the (then) existing rates for 10 T grab cranes. The rates were derived by comparing (likely) performance of the new crane with that of the old crane. Since details of sustained average output / performance achieved by the new cranes were not available, the proposed rates were approved on an adhoc basis limiting the validity for six months. The idea was to review the adhoc rates after six months' time with reference to the experience gained in operation during that period. As it turned out, the cranes worked only for about 40 days; and, therefore, no sufficient data is available to take up a review. That being so, it is inevitable to allow the present adhoc charges to continue for a further period from 1 October 2003 to 31 March 2004, as requested by the port.

4.2. The adhoc rate will be a ceiling rate in line with the general policy decision already taken. This rate will automatically cease to apply after 31 March 2004. The TPT is advised to submit its proposal to be framed based on the experience gained in operation, in any case not later than 15 February 2004 to enable this Authority to fix the revised rates applicable beyond 31 March 2004.

4.3. As has been mentioned earlier, the adhoc charges for 20 T grab crane were fixed by comparing the rates existed in the Scale of Rates for 10 T grab cranes. The Scale of Rates of the TPT provides for supply of wharf cranes for loading and unloading of vessels without any extra charge since crannage element is included in berth hire charges. The TPT has, therefore, argued that the rate for 10 T grab crane available in the Scale of Rates was an additional charge for use of the grab which should be over and above the supply of crane as a part of berth hire leviable. Considering the quantum of charge of Rs.1912/- per shift prescribed for the 10 T grab cranes, the argument of TPT appears to carry force. That being so, the condition introduced by this Authority about levying berth hire as applicable for non crane berths is not found to be relevant and is deleted. While formulating its revised proposal, the TPT should, however, bear this aspect in mind and consider only the relevant costs for computation of charges for 20 T grab cranes.

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

- (i). The adhoc charges fixed vide Order dated 17 March 2003 to continue as ceiling rates for a further period from 1 October 2003 to 31 March 2004.
- (ii). Deletion of the provision stipulating levy of berth hire charge as applicable for non-crane berths for berths where 20T grab wharf cranes in reference are installed.

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