

(To be published in Part - III Section 4 of the Gazette of India, Extraordinary)

TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 225

New Delhi, 4th October 2002

NOTIFICATION

In exercise of the powers conferred by Sections 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from the Tuticorin Port Trust for revision of the special rate for capital dredging as in the Order appended hereto.

(S. Sathyam)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/32/2002 - TPT

The Tuticorin Port Trust

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Applicant

ORDER

(Passed on this 20th day of September 2002)

This case relates to a proposal received from the Tuticorin Port Trust (TPT) for revision of the special rate for capital dredging.

2.1. This Authority had passed an Order on 2 June 2000 approving the proposal of the TPT to impose a special rate to defray the capital dredging expenditure of about Rs. 220 crores carried out by the port. In the said Order, this Authority had approved a special rate for dredging at 50% of the applicable berth hire, pilotage fee and port dues on all vessels using Berth VOC III, VOC IV, Coal Jetty I, II, Oil Jetty and Container Berth (Berth no.7). It was also pointed out that the special rate for dredging would be a separate tariff item and would be considered for revision alongwith the general revision of tariffs.

2.2. Subsequently, the special rate for dredging on vessels calling at the container berth was revised and reduced to 15% of the port dues and pilotage fee and 30% of the berth hire charges for a period of six months, as proposed by the TPT, vide this Authority Order dated 14 February 2001. This concession was extended periodically based on requests from the TPT.

3.1. In this backdrop, the TPT has submitted the proposal for revision of the special rate for dredging alongwith its proposal for a general revision of the Scale of Rates which is being considered as a separate case.

3.2. The TPT has given the following main reasons for the proposed revision of the special rate for dredging:

- (i). The TAMP vide its Order dated 2 June 2000 had approved a special rate for dredging at 50% of the marine charges only even though the dredging cost worked out to 68% on all deep draught vessel related-charges.
- (ii).
 - (a). The concessional rate fixed for vessels handled at the container berth aimed at improving the container traffic has not brought the desired results.
 - (b). There is not much variation in the average GRT of the vessels handled at the container berth operated by the BOT operator before and after introduction of the concessional rate for vessels handled at the container berth.
 - (c). The increase in TEUs handled is due to normal improvement in traffic and not as a consequence of the reduced rate for dredging.
- (iii). In view of the above, its earning has reduced to Rs. 9.87 crores in the year 2000-01 as against Rs. 15.49 crores required to meet the average cost for this relevant activity.
- (iv).
 - (a). The benefit of the increased draught due to capital dredging has been availed by the coal vessels. This is evident from the fact that the number of coal vessels have come down by nearly 30% despite increase in coal traffic by 21.04 lakh tonnes in the year 2000-01 as compared to the previous year due to increased parcel size of vessels.
 - (b). In view of the existing provision prescribing a levy of port dues once in 60 days in case of coastal vessels, the special rate for dredging is not being paid even if the same coastal vessel visits the port within 60 days.

- (c). It is, therefore, proposed to charge the special rate on port dues on each entry in respect of all coastal vessels even though levy of port dues is not applicable as per the Scale of Rates.
- (v). The debt servicing liability has been worked out taking into consideration the current exchange rate (i.e. 100 JPY = Rs. 36.74 as on 12 January 2002) which works out to Rs15.07 crores per annum for the years 2002-03 and 2003-04. The total average dredging cost will work out to Rs. 20.39 crores after adding an average deficit of Rs. 5.32 crores suffered by the port on account of lesser percentage of special rate for dredging approved by the TAMP as against the earlier proposed rate.

3.3. The TPT had proposed to its Board of Trustees two alternative sets of rates for enabling recovery of the average dredging cost of Rs. 20.39 crores. The rates proposed were after taking into consideration the impact of 13% increase proposed by the TPT in the vessel-related charges in its general revision proposal. (It is pertinent to note that in the general revision proposal, the TPT has proposed a 10% increase and not 13%). The two alternative rates proposed by the TPT to its Board of Trustees are tabulated below:

Sr. no.	Alternative I	Alternative II
(i).	65% of port dues, pilotage and berth hire for vessels using deep draught berths excluding the vessels calling at the container berth.	50% of port dues, pilotage and berth hire charges in respect of all vessels calling at deep draught berths-VOC Wharf III and IV, Coal Jetty I and II, Oil Jetty and container berth.
(ii).	Concession in the special rate for dredging in case of vessels calling at the container berth to continue at the existing level.	25% of the applicable vessel-related charges on the vessels calling at the VOC berths nos. I and II berth nos. V and VI.
(iii).	25% of the applicable vessel-related charges on the vessels calling at the VOC berths nos. I and II berth nos. V and VI.	To levy the special rate on dredging on each entry in respect of all coastal vessels
(iv).	To levy special rate on dredging on each entry in respect of all coastal vessels	

3.4. The Board of Trustees of the TPT in its meeting dated 16 February 2002 approved alternative I subject to a modification in the special rate for dredging at 50% instead of 65% for vessels berthed on deep draught berths. The reduction in earnings in view of this change is proposed to be met by cost reduction measures.

3.5. Accordingly, the special rate for dredging proposed by the TPT is as follows:

- (i). The special rate for dredging is proposed @ 50% of port dues, pilotage and berth hire charges for vessels using the deep draught berths excluding the vessels calling at container berth.
- (ii). The concessional rate of 15% on port dues and pilotage and 30% on berth hire may continue for vessels calling at the container berth.
- (iii). A concessional rate of 25% of the vessel related charges in respect of vessels calling at VOC berths nos. I and II and berths nos. V and VI.
- (iv). To levy a special rate for dredging on all coastal vessels on each entry.

4. In accordance with the consultative procedure prescribed, the proposal was forwarded to the PSA SICAL and to the concerned port users / representative bodies of ports users for their comments. The comments received from them are summarised below:

Shipping Corporation of India (SCI)

- (i). Alternative I is the best suitable proposal in the present scenario.
- (ii). The additional cost of dredging must be recovered from the deep draughted vessels which directly benefit from the increased depth available as a consequence of capital dredging.
- (iii). Non-availability of deep draught is not the restraining factor as far as container vessels are concerned in view of the fact that the average GRT of container vessels has not increased despite the increased draught. In order to induce higher tonnage of container vessels, the concessional rate for dredging presently allowed to the container vessels shall be continued or (even) increased.

The Customs Licensed Agents' Association (CLAA)

- (i). The port must always consider the economic viability and feasibility before taking a decision in the matter of levy of charges, since the hinterland of Tuticorin mainly depends upon the port for its progress and socio-economic development.
- (ii). To attract more cargo the port charges must be competitive. The existing rates of the TPT are exorbitantly high as compared to the rates prevailing in the neighbouring ports.
- (iii). There seems to be no reason for any upward revision. If at all considered necessary, a nominal revision not exceeding 5% shall be more than enough.
- (iv). The rates at the neighbouring ports are raised only once in a period whereas the TPT revises its Scale of Rates biennially. In this context it has pointed out that the Chennai Port Trust (CHPT) had revised the rates after six years.

The Tuticorin Steamer Agents' Association (TSAA)

- (i). It is the primary responsibility of the port to provide basic infrastructure at least at par with the facilities extended in the neighbouring ports. Even after dredging, the minimum available draught in berth nos. 3 and 4 is 10.7 meters, while in berth nos. 1, 2, 5 and 6 it is only 9.3 metres, whereas the neighbouring ports have more than 12 metres draught.
- (ii). The existing vessel-related charges of the TPT are very high compared to the neighbouring ports. Any further additional levy on port dues, pilotage and berth hire charges shall definitely have an adverse impact on the traffic.
- (iii). In the present sluggish economic condition all over the world, especially in shipping industries, the vessel owners / charterers find it difficult to call at the Tuticorin port due to high cost.
- (iv). In view of these facts, the TAMP may not consider the proposal of the TPT for a 25% rate on vessels calling at berth nos. 1, 2, 5 and 6 for the betterment the port.
- (v). Coastal vessel must be allowed to enjoy the present concessional charges for their existence. In fact, the main coastal movements in the Tuticorin port are for the vital energy sector which is for a national cause.

Tuticorin Chamber of Commerce and Industry (TCCI)

- (i). The trade must not be made to suffer on account of heavy burden by way of additional dredging levy.
- (ii). It has reiterated the views of other port users that the existing vessel-related charges are high compared to the neighbouring ports.
- (iii). The proposal to levy 25% on vessels calling at berth nos. 1,2,5 and 6 may be forsaken in the interest of the trade.

5. The comments received from the above users were forwarded to the TPT as feed back information. In response to the comments of the users, the TPT has stated the following:

On the comments of the SCI

- (i). The TPT Board is also of the same view as the SCI. It has approved Alternative I with reduction in percentage of increase from 65% to 50% for deep draught berths, with present concessional rates to continue for the container berths.

On the comments of the CLAA

- (ii). The percentage of increase in the special rate for dredging is arrived at based on costing of the relevant activity ;and, hence the suggestion that increase should not exceed 5% cannot be accepted.
- (iii). All the major Port Trusts have to revise the Scale of Rates once in two years as per the orders of the Authority. The CHPT did revise the rates in April 2000; and ,has also submitted a proposal for revision of tariffs during the current year.

On comments of the TSAA

- (iv). The tariffs are based on the cost of rendering the services with respect to infrastructural facilities available, volume of traffic and size of vessels handled. The revision of rates are based on the principles adopted by the Authority taking into consideration the financial figures of five years.
- (v). Cargo throughput has increased in 2001-02 vis-à-vis 2000-01 mainly due to contribution by non-captive cargoes despite reduction in imports of captive cargoes. The contention that with the revision and high cost, vessel owners / charterers may opt for other ports may not be correct since there are other locational factors which need to be considered.
- (vi). The status quo is maintained in the existing concessional rates for coastal vessels.

6.1. Based on a preliminary scrutiny of the proposal, the TPT was requested to furnish additional information / clarification on various points. Some of the main queries raised by us are summarised as follows:

- (i). A detailed debt servicing schedule for the entire period of the loan in support of the figure considered in the cost statement.
- (ii). A detailed statement showing actual collection from levy of special rate for dredging and actual debt servicing cost incurred, for the years 2000-01 and 2001-02.
- (iii). The reasons for linking this special rate for dredging to other vessel-related charges instead of proposing a separate 'per GRT' rate.

- (iv). The reasons given for the proposed extension of the special rate to VOC I, VOC II, and berth nos. V and VI are not clear.
- (v). The reasons for adding the past 'deficit' while computing the special rate for future.
- (vi). The reasons for including the cost of dredging at berth no.8 for arriving at the total cost of capital dredging in the light of the fact that the existing special rate is not applicable to vessels berthed at berth no.8.
- (vii). Justification for allowing the concessional tariff for the container berth to continue despite no significant increase in the container traffic.
- (viii). To indicate the additional traffic, both from the cargo and the vessel, achieved due to capital dredging vis-à-vis traffic projections considered at the time of project approval.
- (ix). The additional income due to variation in foreign exchange rate; and, also the additional income due to restatement of tariff for coastal vessels vis-à-vis foreign-going vessels to be considered while estimating vessel-related income.

6.2. The TPT has furnished the additional information / clarification as summarised below:

- (i). A detailed debt servicing schedule has been furnished.
- (ii). The income from special rate for dredging and the actual debt servicing cost from the year 2000-01 and 2001-02 have been furnished.
- (iii). The GRT based rate will lead to a uniform rate irrespective of the draught availed. Hence, the prescription of special rate for dredging as a percentage of basic vessel-related charges shall be continued.
- (iv). In view of the increased draught at VOC I, II and berth nos. V and VI from 8.23 mtrs. to 9.3 mtrs in the year 2000-01, it is proposed to levy 25% of the basic vessel-related charges to the vessels utilising these berths. This dredging cost was met from revenue expenditure in the year 1999-2000.
- (v). It has reiterated that it could not mobilise adequate income from special rate to service the debt since the rate approved by the TAMP was lower than the rate proposed by the port and also due to concessional rate allowed for container vessels.
- (vi).
 - (a). The cost of dredging berth no.8 has been added to the total cost of dredging as the revision proposed is for future and the berth has already been commissioned on 28 January 2002. It is not feasible to link the cost to berth hire charges only for berth no.8.
 - (b). The special rate for dredging applicable to berth no.8 need to be considered during the review of special rate for dredging or completion of dredging which ever is earlier.
- (vii). At the project formulation stage, it was anticipated that the traffic shall increase by 3.4 MT (coal 1.2 MT, POL 1.3 MT, fertilizer 0.4 MT and containers 0.5 MT). The expected increase in traffic except the container traffic has not been forthcoming due to reasons beyond its control.
- (viii). The revenue projections have been made the current price principle without taking into consideration the fluctuation in the exchange rate. Additional income due to

restatement of tariff of coastal vessel at the desired level have also not been considered.

- (ix). The TPT has submitted a revised cost statement taking provisional figures for the year 2001-02 instead of the revised estimates. As per the revised working, the percentage of levy to be adopted for deep draught berths except the container berth comes to 62% as against 65% worked out by the TPT earlier. The TPT has ,however, retained the rate proposed in its earlier proposal.

7.1. A joint hearing in this case was held on 6 June 2002 along with the general revision proposal of the TPT and proposal for fixation of licence fee for private cargo handling equipment. At the joint hearing, the following submissions were made relevant to this case:

Tuticorin Port Trust

- (i). We have gone by the TAMP Orders. There is a gap. We have, therefore, had to think of some alternatives. The Board has approved the said proposal.
- (ii). The proposal is only for generating about Rs.1 crore. The other Rs.4 crores we will meet through cost savings.
- (iii). All vessels have to pay the dredging levy because they do avail of many common facilities.
- (iv). All berths have benefited by the dredging; may not be upto 10.7 mtrs.; but, may be marginally. That is why only a 25% extra charge has been proposed.
- (v). Coastal vessels mostly of the TNEB's benefit a lot. The TNEB is saving nearly Rs. 60 crores. Why should we not get some benefit also?

Indian National Shipowners' Association

- (i). For coastal vessels the system of fixing 30% concession with reference to foreign-going vessel rates is harsh.
- (ii). Coastal vessels must not be required to pay dredging levy.
- (iii). Coastal vessels must continue to get the concession in Port Dues.

Container Shipping Lines Association

- (i). We welcome the proposal to continue with concessions in dredging levy to the container terminal.
- (ii). Irrespective of these concessions, examine the 'total call costs' and reduce them to be competitive.

Tuticorin Custom Licensed Agents' Association

- (i). Dredging levy should be confined to deep draught berths.
- (ii). Berth (7), the Container Terminal continues with the concessions. The Concession Agreement also requires the TPT to give 10.7 mtr. draught.
- (iii). Encourage coastal traffic. Please give a 50% concession.

7.2. At the joint hearing the CSLA has furnished written submission which is summarised below:

- (i). The proposal to continue the concessional special rate for capital dredging for container vessel is appreciated. It has brought a steady growth in the number of vessels calling at the port.
- (ii). Dredging is a cost that the port incurs to maintain its own basic infrastructure. The spin-offs of improving the infrastructure through capital dredging and keeping competitive marine tariffs result in more vessel calls and thereby higher throughput and higher wharfage, handling and storage revenues. This over a period of time will pay for the dredging cost.
- (iii). While maintaining the concessional rate for container vessels, it is requested that the vessel call cost to which this levy is intricately linked must be reviewed in totality so that it can be revised to be competitive with that of regional hubs like Colombo, Singapore and (even) the CCTL.

8.1. Subsequent to the joint hearing, the TNEB vide its fax message dated 24 June 2002 had furnished some general comments on the TPT proposal for revision of the special rate for dredging. Some of its main points are summarised below:

- (i). The special rate for dredging levy @ 50% of the port charges was approved by the TAMP with effect from 14 July 2000 to recover the capital dredging expenditure despite its written protest.
- (ii). The existing levy @ 50% of the port charges is exorbitant. The TPT must consider to reduce the same as considerable amount of revenue would have already been generated in the past two years, which would have offset the capital dredging expenditure to a great extent.

8.2. It has also requested to convene one more joint hearing at the TPT so that it can put forth its views to the Authority in person for consideration before finalising the proposal of the TPT.

9. The request of the TNEB for one more joint hearing was acceded to by the Chairman (TAMP). Accordingly, a second joint hearing held on 17 July 2002 at the CHPT premises was limited to participation by the TNEB and the TPT since generality of issues had been addressed by the various port users in the earlier joint hearing. At the joint hearing, the following submissions were made relevant to this case:

Tamil Nadu Electricity Board (TNEB)

- (i). The infrastructure facility is a responsibility of the TPT. Why should we bear the burden? The TPT should fully fund it out of its reserves.
- (ii). We have not benefited much because of dredging. Earlier smaller vessels went directly from Haldia to the TPT. Because of dredging, deeper draught and bigger vessels have to call for topping up at the PPT. Thus, cost increases; time increases; and, consequently the so called gains are not significant.

Tuticorin Port Trust (TPT)

- (i). Due to dredging, deepening of draught the TNEB has benefited the most. Why should they object to the special rate? We have made some calculations to estimate the savings made by the TNEB. Please take that into account.
- (ii). The special rate for capital dredging partially compensates the TPT. There is, therefore, no revenue accumulation with the TPT.

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

- (i). While approving a special rate for dredging of 50% of the applicable vessel-related charges on all vessels using the berths VOC III and IV, coal jetties, oil jetty and container berth (no.7) in June 2000, this Authority had decided that this item of tariff would be considered for a review along with the general revision of tariffs in future. Such periodic review of this tariff item is necessary since the special rate is levied as a percentage of VRCs; the percentage needs to be adjusted with reference to the base rates and the requirements of funds.

The TPT has submitted a proposal for a general revision of its Scale of Rates, which has been considered separately.

- (ii). The general objections of the users relating to imposition of a special rate for dredging have already been considered while passing the Order in June 2000. That being so, it is not considered necessary to once again go into the issues of whether it is port's responsibility or not to provide deep draught channel, etc.
- (iii). The Port has proposed to maintain the same percentage of 50% special rate but on a revised base considering a 10% increase proposed by it in the vessel-related charges as a part of its proposal for general revision of tariffs. In view of the overall surplus position available for the port as a whole, this Authority has decided not to revise the vessel-related charges except restating coastal vessel tariffs with reference to foreign-going vessel rates.

The TPT has proposed to continue with the concessions in the special rate earlier allowed to container vessels. This proposal is despite its own admission that such concessions granted in the past had not achieved any desired result. It is noteworthy that the concessions earlier proposed by the TPT for container vessels were approved by this Authority by treating them as a commercial judgement of the Port. Since the TPT and its Board of Trustees have unanimously proposed continuance of the concessions, this Authority is inclined to go again by the commercial judgement of the TPT.

- (iv). The TPT has proposed to widen the levy base by including VOC berth no.I and II and berth no.V and VI with a lower rate of 25% of the applicable vessel-related charges on the ground that the draught at these berths have also increased from 8.23 mtrs to 9.3 mtrs.

Users have objected to this proposed move. The Port has sought to explain that it had incurred dredging cost to improve the draught at these berths; and, the dredging cost was a revenue expenditure for the year 1999-2000.

Firstly, it is to be clearly understood that the special rate introduced by this Authority is to meet the debt servicing liability arising in the context of a foreign currency loan availed by the TPT to finance its capital dredging project. It is not for covering any dredging expenditure incurred by the Port and definitely not for meeting maintenance- dredging-related expenditure at that. Secondly, a tariff revision exercise has to generally consider estimates for the future years falling within the tariff validity cycle. Here, the projections for the years 2002-03 and 2003-04 are relevant. The expenditure on maintenance dredging charged to the revenue for the year 1999-2000 cannot be considered for prescribing tariffs to be levied prospectively. That being so, there does not appear to be any case for imposing a special rate on vessels using the berths VOC I and II and berths V and VI.

- (v), In the cost statement submitted by the TPT, it has considered an expenditure of Rs.45 crores in the year 2003-04 relating to dredging cost of berth no.8. As has already been mentioned, the special rate for dredging is to recover the debt

servicing cost of the foreign currency loan availed by the Port for its capital dredging project. Further, the cost of dredging at berth no.8 is relevant to vessels berthed at the concerned berth. Following the normal practice of costing, this expenditure must be considered while arriving at the berth hire charges for that berth. The burden cannot be passed on to all other vessels which do not use berth no.8. That being so, the dredging cost of Rs.45 crores relating to the berth no.8 need not be considered for the purpose of revising the special rate for dredging.

- (vi). Even though the cost position required fixation of the special rate at 68%, this Authority decided on the earlier occasion to peg it at 50% because the traffic and income projections made by the Port at the time of project clearance had not materialised. In this backdrop, this Authority found it reasonable to require the Port to absorb a part of this cost from its accumulated reserves until the traffic projections made by the Port would become a reality. At that time it was estimated that the share of burden to be borne by the TPT would be around Rs.4 crores per annum. Significantly, at the joint hearing in this case, the TPT has accepted this position and argued that its proposal is to seek additional revenue to bridge the gap emerging even after the Port's contribution of Rs.4 crores from its reserves.

In a total contradiction of this pre-decided point, the TPT has included an amount of Rs.5.31 crores in its cost statements towards average deficits for the year 2000-01 and 2001-02. This deficit has already been decided to be borne by the TPT out of its accumulated reserves. The deficit in excess of Rs.4 crores may be on account of the concessions in the special rate allowed to container vessels. If the Port decides to allow concession to a particular group of users, it has to meet the resultant revenue loss either out of an enhanced revenue generated from that particular user group or till the desired results are achieved, out of its reserves. The user groups that are not given the concession cannot be required to bear the effect of a commercial judgement of the Port in relation to some other user group. That being so, the average annual deficit for the past considered in the cost statement is excluded for the purpose of this analysis.

Analysis of the cost statement for the Port as a whole carried out as a part of the general revision exercise reveals a revenue surplus position. Further, the Port has also indicated that desired traffic levels have not been achieved with reference to its anticipation made at the time of formulating the capital dredging proposal. In this backdrop, it is found reasonable to continue with the arrangement of requiring the Port to bear a share of expenditure of about Rs.4 crores per annum from out of its accumulated reserves.

- (vii). The income from relevant berths considered by the TPT has been modified since no upward revision of vessel-related charges is approved. Following the general practice adopted, additional income on account of exchange rate fluctuation at 2% and 4% for 2002-03 and 2003-04 respectively has to be considered in the revenue estimates. In the general revision case, it has been decided to restate the coastal vessel tariffs with reference to the rates for foreign-going vessels to restore the disparity between these two rates to the level envisaged by a Government policy in this regard. This will mean an additional income to the Port which has to be considered for the purpose of reviewing the special rate for dredging.

While the estimate of additional income on account of exchange rate variation and re-statement of coastal vessel tariffs is readily available for the entire vessel-related activity, such an estimation for the berths relevant for levying the special rate is not possible in the absence of berthwise vessel details furnished. Nevertheless, such an additional income estimate relevant for this analysis has been deduced by considering the overall additional income on these scores estimated for the Port as a whole on a pro-rata basis.

- (viii). In the light of the discussion above, the cost statement furnished by the TPT has been modified. The modified cost statement is attached as an **Annex**. It will be evident from the cost statement that the net requirement of funds to be met out of the special rate is Rs.880.11 lakhs and Rs.856.10 lakhs for the year 2002-03 and 2003-04 respectively. This requirement, if translated in terms of a percentage of vessel-related income from the vessels using the concerned berths, will be around 30% on an average for the years 2002-03 and 2003-04.
- (ix). In view of the position emerging based on the cost analysis, this Authority is inclined to reduce the existing special rate for capital dredging and fix it at 30% of the applicable vessel-related charges payable by all vessels using the berths VOC III, VOC IV, Coal Jetty I, Coal Jetty II, and Oil Jetty.
- (x). The TPT has proposed to levy the special rate on coastal vessels on each entry irrespective of the frequency of levying Port dues. Since the special rate is leviable on 'the applicable vessel-related charges', it can be levied only when the basic vessel-related charge becomes due and payable. That being so, the proposal of the TPT to levy special rate on coastal vessels on each entry can not be agreed to.

Notwithstanding this decision, the approach of the TPT to maximise its earning from the real beneficiaries of the capital dredging cannot be faulted. In fact, recognising this position only, this Authority had earlier suggested the TPT to levy the special rate as a per GRT based charge without linking it to the other vessel-related charges. The TPT has, however, chosen to continue with the existing method of levying the special rate. Its argument that a per GRT rate may not recognise the deeper draught drawn by larger vessels has, perhaps, been advanced due to an incorrect appreciation of the arrangement suggested by this Authority. The per GRT rate need not be a uniform rate applicable to all vessels. Like in the case of pilotage and berth hire schedules of the Scale of Rates of the TPT, the per GRT rate can be in a graded scale requiring larger vessels to pay more in an accelerated manner. The Port is advised to consider this advice and put forth a suitable proposal at the time of the next review of this tariff item.

- (xi). The revised special rate for dredging has been incorporated in the revised Scale of Rates approved by this Authority in the case relating to general revision of tariffs.

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

- (i). The special rate for capital dredging is revised downwards to 30% of the applicable berth hire, pilotage fee, and Port dues payable by all vessels using the berths VOC III, VOC IV, Coal Jetty I, Coal Jetty II and Oil Jetty.
- (ii). The special rate for dredging on vessels calling at the Container Berth (Berth no.7) will be as follows:-
- | | | | |
|------|--------------------|---|-----|
| (a). | Port dues | - | 15% |
| (b). | Pilotage | - | 15% |
| (c). | Berth Hire Charges | - | 30% |

12. The revised special rate for dredging will come into effect after expiry of 30 days from the date of notification of the revised Scale of Rates of the TPT approved in the general revision case (case no. TAMP/31/2002-TPT) in the Gazette of India.

(S. Sathyam)
Chairman