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Tariff Authority for Major Ports

G.No. 246

New Delhi,

11 July 2019

NOTIFICATION

In exercise of the powers conferred by Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Kolkata Port Trust for fixation of upfront tariff for Stevedoring operations for anchorage discharge and barge handling at Haldia Dock Complex (HDC), as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/8/2019-KOPT

Kolkata Port Trust

Applicant

QUORUM:

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

O R D E R

(Passed on this 14th day of June 2019)

This case relates to a proposal received from Kolkata Port Trust (KOPT) for fixation of upfront tariff for Stevedoring operations for anchorage discharge and barge handling at Haldia Dock Complex (HDC).

2.1. Based on the proposal filed by KOPT, this Authority vide its Order no. TAMP/79/2016-KOPT dated 19 February 2018 notified on 26 February 2018 has prescribed the upfront tariff for stevedoring and shore handling operations at Haldia Dock Complex. This Order was notified in the Gazette of India on 26 February 2018 vide Gazette No. 76. Vide the said Order, the KOPT was advised to file a proposal for fixation of upfront tariff for Stevedoring operations for anchorage discharge and barge handling at HDC, within 3 months from the notification of the Order in the Gazette of India.

2.2. In this backdrop, the KOPT vide its letter no. MTO/G/115-M/GMT-556 dated 8 January 2019 has filed a proposal for fixation of upfront tariff for Stevedoring operations for anchorage discharge and barge handling at Haldia Dock Complex (HDC). The submissions made by KOPT are summarized below:

- (i). The upfront tariff for Stevedoring on board ship at anchorage in case of Kolkata Dock System (KDS) by KOPT has already been approved by TAMP vide its Order no. TAMP/80/2016-KOPT dated 19 January 2018.
- (ii). The anchorage points of KDS and HDC are common. The cargo levy of related charges for lighterage operation at the said anchorage points (other than the cargo destined for Haldia Floating Terminal) is under jurisdiction of KDS. Therefore, the upfront tariff as approved for KDS by TAMP can be made applicable for HDC of KOPT also for lighterage operations. [The rates approved by TAMP under KDS are furnished by KOPT.]
- (iii). The upfront tariff for loading / unloading of cargo to / from barges inside the dock by engagement of Shore Crane / Excavator, as well as Payloaders / Forklifts on board (in hatches), has been assessed by KOPT in line with the guideline issued by the Ministry of Shipping. [The detailed calculation is furnished by KOPT.]
- (iv). The methodology of cargo operation for barges is identical with that of cargo loaded / unloaded from vessel. Hence, the charges for Shore Handling Operation for HDC of KOPT, as approved by TAMP vide Order no. TAMP/79/2016-KOPT in the under Section S.3 (i) column 5 for Dry Bulk Cargo and Section S.3 (ii) for Break Bulk cargo has been adopted by KOPT for fixing tariff for shore handling operations of barges.
- (v). The charges for Receiving and Delivery of cargo under Section S.4 of the TAMP Order has also been adopted by HDC of KOPT for fixing tariff for identical operation of cargo handling on account of barges inside the dock.

2.3. Based on the above submission, the KOPT has sought the approval for the following:

- (a). Charges for loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/ lighterage / top up points are as follows:

(as adopted from Notified TAMP Order no. TAMP/80/2016-KOPT for tariff of KDS of KOPT).

(i). **Dry Bulk Cargo**

Sl. No.	Cargo Group	Rate per Tonne (In. ₹.)	
		Foreign	Coastal
1a	Thermal Coal	26.90	26.90
1b	Coal other than Thermal Coal	27.67	16.60
2	Food Grains	27.82	16.69
3	Sugar	28.84	17.30
4	Other Bulk Cargo	27.88	16.73

(ii). **Break Bulk Cargo**

Sl. No.	Cargo Group	Rate per Tonne (In. ₹.)	
		Foreign	Coastal
1	Bagged Cargo	53.44	32.06
2	Log	36.81	22.09
3	Container (Laden / Empty) Rate per TEU	406.81	244.09

(b). Charges for loading/unloading operations on /from Barges inside the impounded Dock of HDC of KOPT are as follows:

Charges for stevedoring operation including Supply & Service of Equipment in hatches for loading / unloading of Cargo by using shore crane / excavator			
Sl. No.	Commodity	Foreign	Coastal
		Rates per Tonne (in)	
1	Iron Ore & Iron Ore Pallets	35.28	35.28
2	Thermal Coal	56.70	56.70
3	All types of coal (except Thermal Coal)	56.70	34.02
4	Lime Stone	49.61	29.76
5	Manganese Ore,	51.55	30.92
6	Met Coke	79.38	47.62
7	Rock Phosphate and Sulphur	79.38	47.62
8	Cement Clinker	59.54	35.72
9	Gypsum	49.61	29.71
10	Sugar & all other dry bulk cargo	61.06	36.63
11	Bag Cargo (containing Fertilizer, Foodgrain, Sugar , Cement etc. having unit weight upto 50kg)	110.88	66.52
12	Iron and Steel products, project cargo, machinery and spare parts (with equipment support inside hatch)	114.99	68.99
13	Iron and Steel Products, project cargo, machinery and spare parts (without equipment support inside hatch)	73.92	44.35

(c). Charges for shore handling operation in respect of cargo loaded/discharge on/from Barges inside the impounded dock (as adopted from the TAMP Notified for upfront tariff of HDC of KOPT).

(i). Charges for shore handling operation for Dry Bulk Cargo are as follows:

Sl. No	Commodity	Discharged by shore crane/excavator and delivered directly from jetty to consignee premises		Discharged by shore crane/excavator and transferred & stored in storage area inside port premises	
(1)	(2)	(3)		(4)	
		Foreign	Coastal	Foreign	Coastal
		Rates per Tonne (in ₹.)		Rates per Tonne (In ₹.)	
1	All types of Coking Coal (except Thermal Coal)	37.82	22.69	112.66	67.60
2	Thermal Coal	37.82	37.82	112.66	112.66
3	Met Coke	40.25	24.15	109.82	65.89
4	Lime Stone	37.37	20.62	110.97	66.58
5	Manganese Ore	32.03	19.22	95.42	57.25
6	Iron Ore Fines & Lumps.	34.19	34.19	110.40	110.40
7	MOP, Rock Phosphate, & Sulphur	39.24	23.54	107.07	64.24
8	Cement Clinker	32.25	19.35	93.38	56.03
9	Gypsum	32.25	19.35	104.13	62.48
10	Sugar and all other dry bulk cargo	39.24	23.54	107.07	64.24

(ii). Charges for shore handling operation for Break Bulk Cargo are as follows:

Sl. No.	Commodity	Foreign	Coastal
		Rates per Tonne (In ₹.)	
(a)	Cargo Unloaded onto the wharf and transported to storage yard within port premises or vice versa		
1.	CR Sheets, HR Plates, Steel Sheets, Steel Slabs	127.54	76.52
2.	Steel Coils, HR Coils WR Coils	68.44	41.07
3.	Steel billets, Steel blooms, Steel Rails, Pipes and Tubes	76.85	46.11
4.	All Bag Cargo containing Fertilizer, Food grain, Sugar, Cement and other commodities having unit weight up to 50 kg.	172.15	103.29
5.	Project Cargo, Machinery, Spares	177.45	106.47
Notes:			
(i)	For transfer / delivery of cargo from direct to consignee's premises, the above rate does not include supply of transport (for delivery) by the Handling Agent. The same shall be arranged by the concerned importer / exporter / receiver of cargo at their own cost.		
(ii)	In case of Bag Cargo (Unit bag weight up to 50 kg), the shore handling charged includes supply of trucks by the Handling Agent for transportation of cargo between the jetty and the storage yard including loading and unloading on and from truck in such operation.		
(iii)	The rate mentioned at column (4) above includes charges for heaping / high heaping of dry bulk cargo at the storage yards.		

(iv)	In case of break bulk cargo, the shore handling charges include supply of trailers by the Handling Agents for transportation of the cargo between the jetty and the storage area including loading & unloading on and from trailers there at.
(v)	60% of the above charges shall be levied for the coastal cargo other than Thermal Coal, Iron Ore & Iron Ore Pellets.

- (d). Charges and modalities for delivery / receiving operations of cargo loaded / unloaded from / to Barges will be same as stated against S.4.1 to S.4.9 of the Notified TAMP Order no. TAMP/79/2016-KOPT dated 26.02.2018.
- (e). Performance Standards for loading/unloading of dry bulk cargo on/from Barge inside the impounded dock are as follows:

For the purpose of levy of rates for cargo handling operations in respect of Barges, achievement of the following productivity levels will be applicable.

Sl. No.	Commodity	Productivity Norms in tonnes per Ship Day
1	Iron Ore & Iron Ore Pellets	3000
2	Thermal Coal	2100
3	All types of coal (except Thermal Coal)	2100
4	Lime Stone	2400
5	Manganese Ore	2310
6	Met Coke	2310
7	Rock Phosphate and Sulphur	1500
8	Cement Clinker	2000
9	Gypsum	2400
10	Sugar & all other dry bulk cargo	1950
11	Bag Cargo (containing Fertilizer, Food grains, Sugar, Cement etc. having unit weight upto 50 kg)	600
12	Iron and Steel products, project cargo, machinery and spare parts (with equipment support inside hatch)	900
13	Iron & Steel products, project cargo, machinery and spare parts (without equipment support inside hatch)	900

- Note: (i) The performance standard has been considered for operation with Single Shore Crane/Excavator.
- (ii) The Shore handling agents will be required to match the aforesaid productivity norms of loading/unloading to ensure that there is no detention in loading / unloading operation of the Barge due to reasons attributable to the stevedoring and shore handling agent.

- (f). Norms for Receipt and Delivery operations in respect of cargo handled through Barges.
- (i). In case of Rail Borne cargo the handling agents are required to complete loading/unloading of cargo on/from the railway rakes within the stipulated time as per the railway rules as may prevail from time to time. In case of failure to complete loading/unloading of the rake within stipulated free time, demurrage as may be applicable will be payable by the handling Agent to the importer / exporter concerned.
- (ii). However, in case of road bound cargo no norms for loading/ unloading of cargo for delivery / receiving can be fixed as the supply of transport depends on the importer/exporter and the handling Agents have no role in it.

2.4 The KOPT has furnished the copy of the Board Resolution approving the proposal in reference vide its resolution no. R/215/HDC/Sh&CH/3/12/2018 dated 27 December 2018.

3. In accordance with the consultative procedure prescribed, a copy of the KOPT proposal dated 08 January 2019 was forwarded to the concerned users/ user organizations vide our letters dated 11 January 2019 seeking their comments. Only one of the users / user organizations i.e. Steel Authority of India Ltd (SAIL) has furnished its comments. The said comments was forwarded to KOPT as feedback information. The KOPT has responded vide its letter dated 8 March 2019.

4. A joint hearing on the case in reference was held on 19 February 2019 at the KOPT premises. At the joint hearing, the KOPT made a brief Power Point presentation of the proposal. During the joint hearing, the KOPT and other users/ user organizations have made their submissions.

5. Based on preliminary scrutiny of the proposal, some clarification was sought from KOPT vide our letter dated 11 March 2019. After our reminder dated 8 April 2019, the KOPT has responded vide its letter dated 18 April 2019. The information/ clarification sought by us and response of KOPT thereon are tabulated below:

Sr. no.	Information/ clarification sought by us	Reply of KOPT
2.1.	The KOPT to confirm that all the cargo that would be discharged at the anchorage are covered by the various subsequent operations as listed, to avoid mismatch of cargo items listed for each operations.	So far as HDC is concerned, whatever, cargo is discharged at Anchorages is brought to Haldia Dock by barge for subsequent discharge at the jetty. The cargo thereafter gets transferred to the storage are inside dock and delivered by road/rail.
2.2.	The KOPT to confirm forwarding a copy of its proposal to Ripley & Co. Stevedoring & Handling Pvt. Ltd., as agreed by KOPT during the joint hearing.	The same has been complied with.
(A).	<u>Charges for loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points</u>	
1.	<p>Considering that the anchorage points of Kolkata Dock System (KDS) and Haldia Dock Complex (HDC) are common and they are under the jurisdiction of KDS, the HDC in KOPT has reported to have adopted the tariff in respect of “Stevedoring on-board ship at Anchorage” as approved by the Authority vide Order dated 19 January 2018 while fixing the upfront tariff for stevedoring and shore handling operations at KDS of KOPT, as “Charges for loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points” in the subject proposal in reference. In this connection, the HDC to clarify / furnish the following:-</p> <p>(i). The charges at KDS were fixed taking into account, the average hook shift output ranging from 240 tonnes to 690 tonnes for various cargo items, hire cost of the crane operator at ₹. 700 per shift, labour cost</p>	<p>Since similar rates have been proposed for HDC and KDC, the cost element is also same.</p>

	<p>ranging from ₹.15/- per tonne to ₹. 28 per tonne for various cargo items. The HDC to confirm that the said cost elements as considered in respect of KDS, would be applicable for HDC as well.</p> <p>(ii). Further, the Foreign and Coastal tariff for the Stevedoring on-board ship at Anchorage for KDS has been prescribed based on the percentage share of foreign (93%) and coastal (7%) cargo handled by the KDS. However, in respect of HDC, the percentage share of foreign and coastal cargo was considered at 84% and 16% respectively. In this backdrop, the KOPT to justify adoption of tariff of KDS in subject proposal.</p>	<p>The share of costal cargo in lighterage operation by ship's crane on account HDC is negligible. In fact, during the F.Y. 2018-19, no vessel account HDC with coastal cargo had been handled at the anchorage point. In case of KDS, the share of coastal cargo in the lighterage operation has been only 7% which is also negligible. As the percentage share coastal cargo for both the dock are similar, so KOPT has proposed for adoption of the upfront tariff for Stevedoring at the anchorage points as approved for KDS.</p>
	<p>(iii) The KOPT to furnish the present tariff arrangement for discharge of cargo at anchorage points at KOPT in respect to vessel destined for HDC.</p> <p>(iv). The tariff schedule for Stevedoring on-board ship at Anchorage for KDS in the Order approved by the Authority, is accompanied by following notes: <i>Note:</i> <i>(a).Stevedoring for the purpose of (A) & (B) above, includes loading and unloading and stowage of cargo in any form on-board the vessels in port.</i> <i>(b). For container exceeding 20 ft., rates shall be levied at 1.5 times of TEU rate.</i> <i>(c).Stevedoring activities cover discharging cargo from ships in to barge or vice versa.</i></p> <p>However, no such notes to the stevedoring tariff for the vessels of HDC handled at Anchorage points at KOPT are seen to have been prescribed in the proposal in reference. The KOPT is requested to examine and propose the relevant notes, governing levy of proposed charges.</p>	<p>For undertaking lighterage operation at the anchorage, 90% of the wharfage charges, as approved in the SOR, are collected. For cargo brought by barge at Haldia Dock after lighterage at anchorage points, the following rates are collected as wharfage: (i). Iron Ore ₹. 6.73 per MT (ii). Other than Iron Ore: ₹. 26.95 per MT.</p> <p>The foot note made by KDS is also applicable for HDC except Note (A).</p> <p>Note (a) should be read as: <i>Stevedoring at anchorage includes loading and unloading and stowage of cargo in any form on board the vessel.</i> Note (b) to be retained unchanged. Note (c) to be retained unchanged</p>
2.	<p>The KOPT has not proposed performance standards for cargo operations at anchorage points. In this regard, it is relevant to mention here that as per clause 7.1 of the guidelines for determination of upfront tariff for Stevedoring and Shore Handling operations, 2016, the Stevedoring and Shore handling operators would be entitled to 100% WPI indexation instead of 60% WPI indexation, from the second year of operation on achievement</p>	<p>At the anchorage points, the working of the vessel gets detained due to rolling/ pitching of vessel, high winds, high waves, bad weather, non-availability of Barges, tidal rise and fall of river water etc. A stevedore has no control over these factors. Therefore, it is difficult for KOPT to propose any productivity norms for cargo handling at the Anchorage points, the same has not been proposed.</p>

	<p>of performance standards prescribed as per Berthing Policy issued by the Ministry of Shipping vide letter no. PD-11033/73/2013-PT (pt) dated 16.06.2016 for dry bulk and for other cargo, the performance norms as prescribed by the Major Port. Accordingly, the KOPT to propose performance standards for cargo handling at the Anchorage Point of KOPT. In the absence of Performance Standard, it will not be possible for KOPT to index the tariff on achievement of Performance Standard.</p>	
B.	<p><u>Charges for loaded/ unloading on/from Barges inside the impounded dock.</u></p>	
(i).	<p>The KOPT to furnish the reason for considering deployment of one shore crane per day.</p>	<p>Only one crane can be operated at a time for handling barges as the barges are small in size. Therefore, only one crane is deployed on account of one barge.</p>
(ii).	<p>The KOPT to provide the documentary evidence for ₹. 60,000 per day towards hire charges of shore crane and ₹. 7500/ towards hire charges of a pay Loader < 3 MT, proposed to be deployed for handling Dry Bulk Cargo.</p>	<p>KOPT has obtained the information of hire charges of shore crane and payloader from the Stevedores/shore handling agents working in HDC, who charge the importers / exporters for providing the equipment on per tonne basis. The information so obtained has been gathered verbally as Stevedores/ shore handling agents avoided providing written information. Upon converting the per productivity standers, the rates of ₹. 60000 per day towards hire charge of shore crane and ₹. 7500 towards hire charge of a payloader has been proposed.</p>
(iii).	<p>The KOPT to furnish documentary evidence in support of hire charges of Shore Crane at ₹. 36000/- per day and forklift of 10 -15 MT at ₹. 10,000/- per day, proposed to be deployed for handling break bulk cargo.</p>	<p>The KOPT has obtained the information of hire charges of shore crane and forklift from the Stevedores/ shore handling agents working in HDC, who charge the importers/ exporters for providing the equipment on per tonne basis. The information so obtained has been gathered verbally for Stevedores/ shore handling agents. Upon converting the per tonne rate into per day rate, as per productivity standers, the rates of ₹. 36000 per day towards hire charge of shore crane and ₹. 10000 towards hire charge of a forklift has been proposed.</p>
(iv).	<p>It is observed that the Port has not taken the impact of percentage share of foreign and coastal cargo while prescribing the proposed charges for foreign/ coastal cargo, for stevedoring operations including Supply & Service of Equipment in hatches for loading/unloading of cargo using shore/excavator. The Share of foreign and costal cargo may be considered and the rates may be reworked.</p>	<p>The upfront tariff proposed by KOPT has been calculated as per Govt. Guidelines, based on productivity standards. The equipment cost proposed by KOPT has been linked with the rate realized by the Shore Handling Agents from the importers/exports, where the foreign and coastal cargo share has been taken into consideration. The other cost elements such as such as Labour Cost, Operational Overheads and Administrative Overheads have been calculated at fixed % over equipment and labour cost, as the case may be, as the volume of coastal cargo is negligible, it's impact on the charges that has</p>

		been proposed following the Govt. Guidelines for stevedoring operations including supply and service of equipment in hatch for loading / unloading of cargo using shore/ excavator is also negligible. Therefore, reworking of the rates considering the cargo share of foreign and coastal cargo is not found necessary.
C.	<u>Charges for shore handling operations in respect of cargo loaded/ discharged on/from Barges inside the impounded dock</u>	
(i).	The charges as approved by the Authority in January 2018 for Shore Handling Operations for Dry Bulk cargo/ Break Bulk Cargo for the cargo handed at HDC based on the proposal then filed by the KOPT, has been adopted now by HDC for the shore handling operation in respect of the cargo loaded/discharged on/from Barges inside the impounded dock, on the ground that methodology of cargo operations in respect of barges is identical with that of cargo loaded / unloaded from vessels. In this regard, KOPT may note that shore handling tariff as prescribed for Shore Handling Operations for Dry Bulk cargo/ Break Bulk Cargo for the cargo handed at HDC is linked with the performance norm for that commodity/ operations. In the instant case, the performance norms proposed for shore operations for barge cargo is at vast difference with the performance norms as considered for shore handling operation of Dry Bulk cargo/ Break bulk cargo vessels, as given below.	
(a).	The reason for prescribing very lower productivity i.e. lower productivity norms in respect of the dry bulk & break bulk cargo items now, as compared to the HDC's earlier proposal for fixing stevedoring and shore handling charges which was disposed by the Authority in January 2018, may be justified.	The earlier proposal for fixing stevedoring and shore handling charges are for cargo vessels where cargo are discharged by multiple hatches simultaneously. As a result, the productivity has been considered at a higher level. Whereas, the instant proposal is for Barge handling where only one shore crane is deployed. Therefore, the productivity considered is much lower.
(b).	Considering the productivity proposed by the Port for cargo handling in respect of the barges, the Port may have to assess the requirement of equipment viz. payloader/proclain/dumpers per shift to achieve the lower level of productivity and revisit the upfront tariff proposed now for shore handling operations for barges.	The KOPT had proposed tariff for shore handling operation for dry bulk cargo/break bulk cargo loaded / discharged on / from Barges inside the impounded Dock to be identical with that has already been approved by TAMP for shore handling operation of cargo loaded/ discharged from vessel irrespective of the quantity and productivity. The same has been proposed because the series of operations involved, the manpower and equipment engaged, the area of operation in both the cases are identical. However, as the volume of cargo handled in Barges is much less in respect of vessels, the number of equipment involved

		in shore handling operation is also less and therefore the cost of handling per ton is high which makes it similar to the charges approved for shore handling operation of vessels. So the need of revisiting the charges proposed for shore handling operation of cargo of Barges is not found necessary. Later on, the HDC vide its letter dated 23 May 2019 has furnished an illustrative working for coal cargo justifying the shore handling cost per tonne of barges is similar to the charges of cargo received from vessels.
(c).	The note relating to applicability for shore handling operations in respect of export cargo shipped by MHC/ Ship's crane prescribed underneath of charges for shore handling in the Tariff Order dated 19 January 2018 passed by the Authority for determination of upfront tariff for stevedoring and shore handling operations at Haldia Dock Complex (HDC) of KOPT is seen to have not been prescribed in the present in case in reference. The KOPT to propose relevant notes to govern levy of the proposed rates.	The head note mentioned in Section C of Annexure-IV of the proposal in respect of Shore Handling Operation clearly indicates that the charges proposed are in respect of cargo loaded / discharged on/from Barges inside the impounded Dock which itself construed that the proposed rate are in respect of Import/ Export cargo. Therefore, no separate note for shore handling of export cargo has been proposal.
(d).	The KOPT to explain the reason for proposing Note no. (v). to the effect that 60% of the above charges shall be levied for the coastal cargo other than Thermal coal, Iron Ore & Iron Ore pellets, when separate concessional rates for each of the coastal cargo considering 40% concession has already been proposed.	The said point has been included erroneously and needs to be deleted.
D.	<u>Norms for Receipt and Delivery operations in respect of cargo handled through Barges.</u>	
	The KOPT has proposed a note to the effect that "Charges and modalities for delivery / receiving operations of cargo loaded / unloaded from / to Barges will be same as stated against S.4.1 to S.4.9 of TAMP notified upfront tariff of HDC bearing no. TAMP/79/2016-KOPT dated 26.2.2018." The reason for proposing the said note, drawing reference to upfront tariff order may be explained, considering that said provisions are already prescribed vide above referred Order.	The KOPT has proposed that the upfront tariff for delivery / receiving operations of cargo loaded / unloaded from/to vessels at HDC which has been approved by TAMP vide Order no. TAMP/79/2016-KOPT dated 26.02.2018, may be adopted for the delivery / receiving operations of cargo handled in Barges as the series of operations involved, the manpower and equipment engaged, the area of operation in both cases are almost identical.

6. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website <http://tariffauthority.gov.in>

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

- (i). Based on the proposal filed by KOPT, this Authority vide its Order no. TAMP/79/2016-KOPT dated 26 February 2018 has prescribed upfront tariff for stevedoring and shore handling operations at Haldia Dock Complex, which was notified in the Gazette of India on 26 February 2018 vide Gazette No. 76. In the said Order, the KOPT was advised to file a proposal for fixation of upfront tariff for Stevedoring operations for anchorage discharge and barge handling at HDC, within 3 months from the notification of the Order in the Gazette of India.
- (ii). Accordingly, the KOPT has come up with a proposal for fixation of upfront tariff for Stevedoring operations for anchorage discharge and barge handling at Haldia Dock Complex (HDC) in January 2019. The proposal of KOPT has the approval of its Board of Trustees.
- (iii). The KOPT in the proposal in reference has sought the approval for the following charges relating to stevedoring and shore handling of cargo discharged at anchorage and brought by barges to HDC.
 - (a). Charges for loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points.
 - (b). Charges for loading/unloading operations on /from Barges inside the impounded Dock of HDC of KOPT.
 - (c). Charges for shore handling operation in respect of cargo loaded/discharge on/from Barges inside the impounded dock.
 - (d). Charges and modalities for delivery / receiving operations of cargo loaded / unloaded from / to Barges.
- (iv). The submissions made by KOPT in its proposal dated 08 January 2019 alongwith the information/ clarification furnished by KOPT during the processing of the case in reference, are considered in this analysis.
- (v). In the Stevedoring and Shore Handling Guidelines 2016, no norm for anchorage discharge and barge handling has been provided. In absence of such norms, the KOPT has adopted each of different methodology for arriving the tariff for each of the items of anchorage discharge and barge operations at HDC. The analysis on the each of the tariff items of anchorage discharge and barge operations at HDC is given in the following paragraphs:

(a). **Charges for loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points.**

- (i). The anchorage points of KDS and HDC are common. Therefore, the port has proposed the upfront tariff of stevedoring on-board ship at Anchorage as approved for KDS by this Authority vide order TAMP/80/2016-KOPT dated 19 January 2018 to be made applicable to loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points for the cargo destined to HDC.

Given that the anchorage points of KDS and HDC are common and are under jurisdiction of KDS and relying upon the clarification furnished by KOPT that the cost elements for vessels handled on account of KDS and HDC are same, this Authority is inclined to approve upfront tariff of stevedoring on-board ship at Anchorage as approved for KDS to be made applicable to loading/unloading

operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points.

- (ii). The KOPT has not proposed the notes for levy of the charges of loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points as prescribed for the upfront tariff for stevedoring on-board ship at Anchorage approved for KDS of KOPT by this Authority. On being pointed out, the port has requested us to consider to incorporate respective notes and make applicable to the charges leviable at anchorage/lighterage/top up points also. Acceding to the request of HDC, the respective notes governing the charges for loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points, are incorporated as proposed by KOPT.
- (iii). The KOPT has not proposed performance standards for cargo operations at anchorage points. In this regard, it is relevant to mention here that as per clause 7.1 of the guidelines for determination of upfront tariff for Stevedoring and Shore Handling operations, 2016, the Stevedoring and Shore handling operators would be entitled to 100% WPI indexation instead of 60% WPI indexation, from the second year of operation on achievement of performance standards prescribed as per Berthing Policy issued by the Ministry of Shipping vide letter no. PD-11033/73/2013-PT (pt) dated 16.06.2016 for dry bulk and for other cargo, the performance norms as prescribed by the Major Port. In this regard, KOPT has stated that it has not proposed the performance standards for cargo operations at anchorage points in view of the difficulties faced by the working of the vessel which gets detained due to factors like rolling/ pitching of vessel, high winds, high waves, bad weather, non-availability of Barges, tidal rise and fall of river water etc, on which stevedore has no control. The justification given by the KOPT has been relied upon. Since the KOPT has not prescribed performance standards to be achieved in respect of stevedoring on-board ship at Anchorage, the charges to be approved in this regard will be automatically indexed to 60% of the WPI indexation and no performance linked indexation upto 100% WPI will be available to the operators.

(b). Charges for loading/unloading operations on /from Barges inside the impounded Dock of HDC of KOPT.

- (i). The KOPT has arrived at the charges for loading/unloading operations on /from Barges inside the impounded Dock of HDC of KOPT, as per the stipulation contained at Clause 3.5.2 of the Stevedoring and Shore Handling Guidelines. As per clause 3.5.2, the Operating cost for the Stevedoring Operations are grouped under following major heads; viz. Equipment hire cost, Labour cost, Operational overheads and Administration Overheads and prescribed profit margin thereon.
- (ii). The KOPT has considered deployment of one shore crane and one pay loader for loading/unloading operations on /from Barges from/to dock as against 3 shore cranes and 3 Dozers prescribed in the Stevedoring and Shore Handling guidelines. The KOPT has clarified that only one crane/ one dozer can be operated at a time for handling barges.

- (iii). In view of the submissions made by KOPT and since Clause 1.8 of the Stevedoring and Shore handling Guidelines allows this Authority to accept necessary adjustment in norms based on the justification furnished by the port keeping in view of the port specific conditions i.e. barge being smaller than the vessel, having impact on the norms prescribed in the guidelines, this Authority is inclined to consider the equipment profile as proposed by the port for dry bulk and break bulk category.
- (iv). As per Stevedoring and Shore Handling Guidelines, the hire charges towards deployment of equipment is to be estimated based on the equipment hire cost prevailing at the relevant port locations or prevailing market based hire cost. The KOPT has expressed its inability to furnish documentary evidence in support of equipment hire charges. It has reported to have gathered the hire charges of equipment informally from other sources. Therefore, in view of the submission made by the KOPT, the equipment hire charges as considered by KOPT is relied upon.
- (v). As per clause 3.5.7 of the Guidelines, labour deployment shall be as per the norms prescribed by the National Tribunal Award (NTA) as provided in the Annex-VIII to the Guidelines and the unit rate will be the prevailing actual cost of labour for the quantum of the labour as per prescribed norms. The Guidelines also state that the prescribed norms and any other norms specifically given for the port shall be followed for calculation of Labour cost. Since the Stevedore is not involved in the supply of the labour for the stevedoring operation, the KOPT has rightfully excluded the said component in the rate to be collected by the Stevedores from the users. Thus, the labour cost as per clause 3.5.7 of the guidelines has not been considered by KOPT.
- (vi). The KOPT has considered the labour cost component at 5% and 10% of equipment hire charges for dry bulk cargo and break bulk cargo respectively. In this connection, it is relevant here to mention that based on the proposal filed by KOPT for fixation of upfront tariff for stevedoring and shore handling operations at Haldia Dock Complex (HDC) at KOPT, this Authority has approved the charges for upfront tariff for charges for supply & service of equipment in hatches on-board ship for discharging dry bulk cargo and break bulk cargo at HDC at 5% and 10% of equipment hire charges for dry bulk cargo and break bulk cargo respectively towards slinging/ unslinging, incidental to the deployment of equipment. Since the loading/unloading operations on /from Barges inside the impounded Dock of HDC of KOPT is akin to supply & service of equipment in hatches on-board ship for discharging dry bulk cargo and break bulk cargo at HDC, the labour cost component at 5% and 10% of equipment hire charges as considered by the KOPT for dry bulk cargo and break bulk cargo respectively, is considered in the analysis.
- (vii). Each of the Operational Overheads and Administrative Overheads has been estimated at 20% of the equipment hire cost and labour cost, which is as per the stipulation contained in Clause 3.5.8 and 3.5.9 of the Stevedoring and Shore handling guidelines.
- (viii). As stipulated in Clause 5 of the Stevedoring and Shore Handling Guidelines, margin at 20% on the total operating cost has been considered by KOPT to arrive at the upfront stevedoring tariff.

- (ix). The KOPT has not taken the impact of percentage share of foreign and coastal cargo while prescribing the proposed charges for foreign/ coastal cargo for supply & service of equipment in hatches on-board ship for discharging cargo for dry bulk cargo and break bulk cargo at HDC on the ground that share of coastal cargo handled at lighterage on account of HDC is negligible. The submission made by the KOPT in this regard is relied upon.
 - (x). The cost statement for the determination of the upfront tariff for on-board ship for discharging dry bulk cargo and break bulk cargo at HDC as furnished by KOPT, based on the various parameters as discussed above is attached at **Annex**.
- (c). **Charges for shore handling operation in respect of cargo loaded/discharged on/from Barges inside the impounded dock of HDC of KOPT.**
- (i). The KOPT has proposed that the upfront tariff for shore handling operation for Dry Bulk Cargo in respect of two particular method of operations viz. Discharged by ship's crane and delivered directly from Jetty to consignee premises and discharged by Ship's Crane and transferred & stored in storage area inside port premises, as approved for HDC by this Authority vide Order TAMP/79/2016-KOPT dated 19 January 2018 be made applicable for shore handling operation in respect of cargo loaded/discharge on/from Barges inside the impounded dock of HDC of KOPT for the said two method of operations. The KOPT has submitted that the shore handling for the two methods of operation for handling dry bulk and break bulk vessels are identical to shore handling of barges at HDC.
 - (ii). Though the KOPT has adopted the tariff relating to shore handling operation for vessel cargo to the shore handling operations of barge cargo stating the identical operations, the Port has adopted lower productivity norms for shore handling for barge cargo than the productivity norms of shore handling operations for vessel cargo approved by this Authority. On a specific query, the port has replied that though the series of operations involved, the manpower and equipment engaged and the area of operation in both the cases are identical, the volume of cargo handled in Barges is much less in respect of vessels. The Port has also stated that the number of equipment involved in shore handling operation of Barge cargo is less than the equipment involved for shore handling operation for vessel cargo. However, the cost of handling per ton will be similar to the charges approved for shore handling operation of vessels. Accordingly, it has proposed to adopt the tariff relating to shore handling operation for vessel cargo to the shore handling operations for barge cargo. The KOPT has also submitted an illustrative working for coal cargo justifying that the shore handling cost per tonne of barges is similar to the charges of cargo received from vessels.
 - (iii). Given that the shore handling operations for vessel cargo and barge cargo are identical as reported by KOPT and relying on the submission made by the KOPT and also considering that the Board of Trustees have approved the proposal, this Authority is inclined to approve the charges for shore handling operation in respect of cargo loaded/ discharges on/from Barges inside the impounded dock for the two method of operations viz. Discharged by ship's crane and delivered directly from Jetty to consignee premises and

Discharged by Ship's Crane and transferred & stored in storage area inside port premises as approved for HDC for shore handling operations vessel cargo of respective methods.

- (iv). The KOPT is seen to have rightfully adopted the relevant notes governing the levy of charges for shore handling operation as per the upfront tariff order for stevedoring and Shore handling operations at HDC approved by this Authority vide its Order dated 19 January 2018 to the Charges for shore handling operation in respect of cargo loaded/discharge on/from Barges inside the impounded dock of HDC of KOPT. Hence, notes prescribed for the shore handling charges for barge cargo handling at HDC are approved.

(d). Charges, modalities and norms for delivery and receiving operation of cargo loaded/ unloaded from/ to Barges.

The Charges and modalities and norms as applicable to cargo loaded/unloaded from/to vessels at HDC as per the upfront tariff order for stevedoring and Shore handling operations at HDC approved by this Authority vide its order dated 19 January 2018 being made applicable to the cargo loaded/ unloaded from/ to vessel at HDC on the ground of similar operation and to cover the activity under the ambit of Stevedoring and Shore handling policy is found to be appropriate. This Authority is inclined to approve to incorporate the Charges, modalities and norms for delivery and receiving operation of cargo loaded/ unloaded from/ to Barges as proposed by KOPT.

(e). Performance Standards for loading/ unloading of dry bulk on/from Barges inside the impounded dock.

The Port has adopted lower productive norms for shore handling for barge cargo as compared to the productivity norms of shore handling operations for vessel cargo approved by this Authority. As regards the productivity of vessels, cargo is discharged simultaneously from multiple hatches by cranes. This would result in higher productivity as compared to discharge of cargo from a barge by one crane. Considering this position and also considering that the Board of Trustees have approved the proposal, this Authority is inclined to approve the Performance Standards for loading/unloading of dry bulk on/from Barges inside the impounded dock.

8.1. In the result, and for the reasons give above, and based on collective application of mind, incorporation of the Upfront tariff schedule prescribing charges for the (i). Loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points, (ii). Loading/unloading operations on /from Barges inside the impounded Dock of HDC of KOPT, (iii). Shore handling operation in respect of cargo loaded/discharge on/from Barges inside the impounded dock and (iv). Charges, modalities and norms for delivery / receiving operations of cargo loaded / unloaded from / to Barges alongwith the Performance Standards, as new section as **Part III** – Upfront tariff for Stevedoring and Shore Handling operations at Anchorage/Lighterage/Top up Points and Barge handling at Haldia Dock Complex (HDC) of Kolkata Port Trust (KOPT), in the existing Scale of Rates of Upfront Tariff for Stevedoring and Shore Handling Services at HDC of KOPT, is approved:

Part - III

Upfront tariff for Stevedoring and Shore Handling operations at Anchorage /Lighterage/Top up Points and Barge handling at Haldia Dock Complex (HDC) of Kolkata Port Trust (KOPT)

- S.1 Charges for loading/unloading operations on/from vessels including deployment of equipment and manpower at anchorage/lighterage/top up points:**
(i). Dry Bulk Cargo

Sl. No.	Cargo Group	Rate per Tonne (In. ₹.)	
		Foreign	Coastal
1a	Thermal Coal	26.90	26.90
1b	Coal other than Thermal Coal	27.67	16.60
2	Food Grains	27.82	16.69
3	Sugar	28.84	17.30
4	Other Bulk Cargo	27.88	16.73

(ii). **Break Bulk Cargo**

Sl. No.	Cargo Group	Rate per Tonne (In. ₹.)	
		Foreign	Coastal
1	Bagged Cargo	53.44	32.06
2	Log	36.81	22.09
3	Container (Laden / Empty) Rate per TEU	406.81	244.09

- Note:** (a). Stevedoring at anchorage includes loading and unloading and stowage of cargo in any form on board the vessel.
(b). For container exceeding 20 ft, rates shall be levied at 1.5 times of TEU rate.
(c). Stevedoring activities cover discharging cargo from ships in to barge or vice versa.

S.2. Charges for loading/unloading operations on /from Barges inside the impounded Dock of HDC of KOPT:

Charges for stevedoring operation including Supply & Service of Equipment in hatches for loading / unloading of Cargo by using shore crane / excavator			
Sl. No.	Commodity	Foreign	Coastal
		Rates per Tonne (in)	
1	Iron Ore & Iron Ore Pallets	35.28	35.28
2	Thermal Coal	56.70	56.70
3	All types of coal (except Thermal Coal)	56.70	34.02
4	Lime Stone	49.61	29.76
5	Manganese Ore,	51.55	30.92
6	Met Coke	79.38	47.62
7	Rock Phosphate and Sulphur	79.38	47.62
8	Cement Clinker	59.54	35.72
9	Gypsum	49.61	29.76
10	Sugar & all other dry bulk cargo	61.06	36.63
11	Bag Cargo (containing Fertilizer, Food grain, Sugar , Cement etc. having unit weight upto 50kg)	110.88	66.52
12	Iron and Steel products, project cargo, machinery and spare parts (with equipment support inside hatch)	114.99	68.99
13	Iron and Steel Products, project cargo, machinery and spare parts (without equipment support inside hatch)	73.92	44.35

S.3 Charges for shore handling operation in respect of cargo loaded/discharge on/from Barges inside the impounded dock

(i). **Charges for shore handling operation for Dry Bulk Cargo:**

Sl. No	Commodity	Discharged by shore crane/excavator and delivered directly from jetty to consignee premises		Discharged by shore crane/excavator and transferred & stored in storage area inside port premises	
		Foreign	Coastal	Foreign	Coastal
(1)	(2)	(3)		(4)	
		Rates per Tonne (In ₹.)		Rates per Tonne (In ₹.)	
1	All types of Coking Coal (except Thermal Coal)	37.82	22.69	112.66	67.60
2	Thermal Coal	37.82	37.82	112.66	112.66
3	Met Coke	40.25	24.15	109.82	65.89
4	Lime Stone	37.37	20.62	110.97	66.58
5	Manganese Ore	32.03	19.22	95.42	57.25
6	Iron Ore Fines & Lumps.	34.19	34.19	110.40	110.40
7	MOP, Rock Phosphate, & Sulphur	39.24	23.54	107.07	64.24
8	Cement Clinker	32.25	19.35	93.38	56.03
9	Gypsum	32.25	19.35	104.13	62.48
10	Sugar and all other dry bulk cargo	39.24	23.54	107.07	64.24

(ii). **Charges for shore handling operation for Break Bulk Cargo:**

Sl. No.	Commodity	Foreign	Coastal
		Rates per Tonne (In ₹.)	
(a)	Cargo Unloaded onto the wharf and transported to storage yard within port premises or vice versa		
1.	CR Sheets, HR Plates, Steel Sheets, Still Slabs	127.54	76.52
2.	Steel Coils, HR Coils WR Coils	68.44	41.07
3.	Steel billets, Steel blooms, Steel Rails, Pipes and Tubes	76.85	46.11
4.	All Bag Cargo containing Fertilizer, Food grain, Sugar, Cement and other commodities having unit weight up to 50 kg.	172.15	103.29
5.	Project Cargo, Machinery, Spares	177.45	106.47
Notes:			
(i)	For transfer / delivery of cargo from direct to consignee's premises, the above rate does not include supply of transport (for delivery) by the Handling Agent. The same shall be arranged by the concerned importer / exporter / receiver of cargo at their own cost.		
(ii)	In case of Bag Cargo (Unit bag weight up to 50 kg), the shore handling charge includes supply of trucks by the Handling Agent for transportation of cargo between the jetty and the storage yard including loading and unloading on and from truck in such operation.		
(iii)	The rate mentioned at column (4) above includes charges for heaping / high heaping of dry bulk cargo at the storage yards.		
(iv)	In case of break bulk cargo, the shore handling charges include supply of trailers by the Handling Agents for transportation of the cargo between		

	the jetty and the storage area including loading & unloading on and from trailers there at.
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S.4 Charges and modalities for delivery / receiving operations of cargo loaded / unloaded from / to Barges will be same as stated against S.4.1 to S.4.9 of Part-II above.

S.5 Performance Standards for loading/unloading of dry bulk cargo on/from Barge inside the impounded dock is as follows:

For the purpose of levy of rates for cargo handling operations in respect of Barges, achievement of the following productivity levels will be applicable.

Sl. No.	Commodity	Productivity Norms in tones per Ship Day
1	Iron Ore & Iron Ore Pellets	3000
2	Thermal Coal	2100
3	All types of coal (except Thermal Coal)	2100
4	Lime Stone	2400
5	Manganese Ore	2310
6	Met Coke	2310
7	Rock Phosphate and Sulphur	1500
8	Cement Clinker	2000
9	Gypsum	2400
10	Sugar & all other dry bulk cargo	1950
11	Bag Cargo (containing Fertilizer, Food grains, Sugar, Cement etc. having unit weight upto 50 kg)	600
12	Iron and Steel products, project cargo, machinery and spare parts (with equipment support inside hatch)	900
13	Iron & Steel products, project cargo, machinery and spare parts (without equipment support inside hatch)	900

Note: (i) The performance standard has been considered for operation with Single Shore Crane/Excavator.

(ii) The Shore handling agents will be required to match the aforesaid productivity norms of loading/unloading to ensure that there is no detention in loading / unloading operation of the Barge due to reasons attributable to the stevedoring and shore handling agent.

S.6 Norms for Receipt and Delivery operations in respect of cargo handled through Barges.

- (i). In case of Rail Borne cargo the handling agents are required to complete loading/unloading of cargo on/from the railway rakes within the stipulated time as per the railway rules as may prevail from time to time. In case of failure to complete loading/unloading of the rake within stipulated free time, demurrage as may be applicable will be payable by the handling Agent to the importer / exporter concerned.
- (ii). However, in case of road bound cargo no norms for loading/ unloading of cargo for delivery / receiving can be fixed as the supply of transport depends on the importer/exporter and the handling Agents have no role in it.

8.2. The KOPT is directed to suitably incorporate the above provisions in its existing Scale of Rates of Upfront Tariff for Stevedoring and Shore Handling Services at HDC of KOPT notified vide Order no. TAMP/79/2016-KOPT dated 26 February 2018 as Part – III.

8.3. The said charges shall come into effect after expiry of 15 days from the date of notification of the Order in the Gazette of India and its validity shall remain co-terminus with the validity of the existing charges for the stevedoring and shore handling operations as approved for HDC of KOPT, vide Order of February 2018 i.e. upto 27 March 2021.

(T.S. Balasubramanian)
Member (Finance)

Calculation of charges for on Board operation of Dry Bulk Cargo in Barges including supply of paylodgers on board

Sl. No.	Commodity	Average Productivity per Day	No of Shore Crane deployed	Hire Charge Shore Crane per Day	No of Payloader deployed	Hire Charge of each paylodgers (< 3MT)	Total Equipment Hire Charge per day	Labour Cost (5% of equipment hire charge)	Operational Overhead (20% of Equipment hire & Labour cost)	Administrative Overhead (20% of Equipment hire & Labour cost)	Total Operating Cost	Margin (20% of total Operating Cost)	Total	Cost per ton as per Productivity standards
1	Iron Ore & Iron Ore Pallets	3000	1	60000	0	0	60000	3000	12600	12600	88200	17640	105840	35.28
2	All types of Coal	2100	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	56.70
3	Lime Stone	2400	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	49.61
4	Manganese Ore	2310	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	51.55
5	Met Coke	1500	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	79.38
6	Rock Phosphate & Sulphur	1500	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	79.38
7	Cement Clinker	2000	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	59.54
8	Gypsum	2400	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	49.61
9	All other Dry Bulk Cargo	1950	1	60000	1	7500	67500	3375	14175	14175	99225	19845	119070	61.06

Calculation of charges for on Board operation of Break Bulk Cargo in Barge

Sl. No.	Commodity	Average Productivity per Day	No of Shore Crane deployed	Hire Charge Shore Crane per Day	No of Forklift deployed per day	Hire Charge of each Forklift per Day (10<15MT)	total Equipment Hire Charge per day	Labour Cost (10% of equipment hire charge)	Operational Overhead (20% of Equipment hire & Labour cost)	Administrative Overhead (20% of Equipment hire & Labour cost)	Total Operating Cost	Margin (20% of total Operating Cost)	Total	Cost per ton as per Productivity standards
1	Bar Cargo (Containing Fertilizer, Food Grains, Sugar Cement etc. having unit weight up to 50kg)	600	1	36000	0	0	36000	3600	7920	7920	55440	11088	66528	110.88
2	Iron and Steel Products, Project Cargo, Machinery and Spare, Jumbo Bags (with equipment support inside hatch)	900	1	36000	2	10000	56000	5600	12320	12320	86240	17248	103488	114.99
3	Iron and Steel Products, Project Cargo, Machinery and Spare, Jumbo Bags (without equipment support inside hatch)	900	1	36000	0	0	36000	3600	7920	7920	55440	11088	66528	73.92

Note: 60% of the above charges shall be levied for the coastal cargo other than Thermal Coal, Iron Ore & Iron Ore Pallets.

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/8/2019-KOPT	Proposal received from Kolkata Port Trust for fixation of upfront tariff for stevedoring operation for anchorage discharge and barge handling at Haldia Dock Complex (HDC).
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A summary of comments received from the Steel authority of India (SAIL) and the response of PPT thereon is tabulated below:

Sr. no.	Comments of Steel Authority of India Ltd	Reply of KOPT																		
(i).	<p>The proposal includes stevedoring charges based on TAMP approved rate for stevedoring on board ship at anchorage vide TAMP G.No 76 of 26.02.2018 of Kolkata Dock System (KDS), on board operation of barges inside Dock and subsequent shore handling and dispatch related service based on the TAMP approved rate for similar services at HDC vide TAMP G.no 76 of 26.2.2018. For handling coking coal, the proposed scale of rates comes to as follows:</p> <p>For Bulk cargo:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Sl. no</th> <th style="width: 60%;">Parameter</th> <th style="width: 30%;">Rate (₹./-pmt) as proposed</th> </tr> </thead> <tbody> <tr> <td align="center">1</td> <td>Stevedoring on board at Anchorage</td> <td align="center">27.67</td> </tr> <tr> <td align="center">2</td> <td>Onboard on barges at HDC</td> <td align="center">56.70</td> </tr> <tr> <td align="center">3</td> <td>Shore Handling *</td> <td align="center">112.66 *</td> </tr> <tr> <td align="center">4</td> <td>Despatch related (through Rail)</td> <td align="center">38.85</td> </tr> <tr> <td align="center" colspan="2">Total</td> <td align="center">235.88</td> </tr> </tbody> </table> <p>Note :</p> <p>i) The proposed Shore handling rate of 112.66 * is not as per the finally approved TAMP rate for same service as per referred G.No 76 of 26.02.2018 which is ₹.80.84/-PMT (coking coal discharged by MHC and transferred to storage area inside port). So when an approved TAMP rate at S.3 (i) exists for this operation, a higher proposed rate may not be agreed and be reconsidered as the cost of handling through HDC is already on higher side.</p>	Sl. no	Parameter	Rate (₹./-pmt) as proposed	1	Stevedoring on board at Anchorage	27.67	2	Onboard on barges at HDC	56.70	3	Shore Handling *	112.66 *	4	Despatch related (through Rail)	38.85	Total		235.88	<p>The contention of SAIL that the proposed shore handling rate of ₹.112.66 is not as per the finally approved TAMP rate is not true. The aforesaid approved rate was adopted considering that the small barges would be handled by Shore Cranes fitted with small Grabs. It may be stated that the Grabs fitted with MHCs installed at various Berths at HDC are too large for handling cargo carried by small barges. Therefore, small material handling cranes fitted with grabs are deployed for handling cargo from Barges.</p> <p>In this context, TAMP has already approved and notified the rate of ₹.112.66 per MT as shore handling charges (Considering foreign coking coal being the predominant cargo carried by barges at HDC) for cargo discharged by Ship's Crane (Ref: Column 5 of section S.3. (i) of Upfront Tariff for shore handling operation at HDC). The same has been proposed because there is a similarity in the productivity in respect of handling cargo carried by Barges by the Shore cranes fitted with small grabs and handling cargo carried by vessels with ship's cranes. The productivity achieved in both the cases are lower in comparison to the rate of handling of cargo by Mobile Harbour Cranes. Considering the similar productivity, shore handling charges in respect of cargo carried by barges, KoPT has proposed to adopt the same rate for shore handling of cargo discharged by Ship's Crane and not by MHC. Therefore, the proposed shore handling of KOPT is felt to be proper and justified.</p>
Sl. no	Parameter	Rate (₹./-pmt) as proposed																		
1	Stevedoring on board at Anchorage	27.67																		
2	Onboard on barges at HDC	56.70																		
3	Shore Handling *	112.66 *																		
4	Despatch related (through Rail)	38.85																		
Total		235.88																		
	<p>ii) Apart from the above proposed rate, there will be charges on account of Floating crane/Vessel Gear depending on mode of discharge at anchorage and barging charges which drives the cost up by another ₹. 500/- additional (i.e. ₹. 129/- for floating crane and 350-370/- for barging at present market rate). So a total handling cost of around ₹. 735/- for cargo operation and further charges of wharfage, terminal charges etc. make the overall cost of operation through HDC expensive compared to nearby Major ports.</p>	<p>In this context it may be stated that the charge for use of floating crane at the anchorage point have already been fixed with the approval of TAMP, which is ₹ 129.33 per MT for foreign Dry Bulk Cargo. Further, for handling of cargo with ship's cranes at the Anchorage Point, TAMP has already approved the rates for KDS, which has been proposed to be adopted for HDC also. Regarding fixation of tariff for movement of cargo by barge from Anchorage to the Dock or vice-versa, it may be stated that this operation is not under the scope of the authorized service by Port</p>																		

	Hence the total cost economics may please be relooked.	under Section 42 of the MPT Act and as such, no rate has been proposed for these service. The charges for barges are fixed directly by the importers / exporters through mutual agreement with the barge suppliers / contractors and Port has no control over the same.
(ii).	Some of the issues which are concerning SAIL and taken up earlier with TAMP at the time of introduction of upfront rates for stevedoring and Shore handling at floating jetty may be looked into as they are still lying unresolved. The same issues would be applicable under the proposed scheme also which are narrated hereunder:	
A.	The scope does not mention loading of cargo on rail as per railway norms i.e. as per chargeable weight of the wagons. Accordingly, HDC may be advised to confirm that cargo will be loaded on to wagons as per railway norm, failing which idle freight/punitive freight shall be borne by the service provider. This may be included in the existing SOR.	The instant Tariff fixation is in respect of Stevedoring and shore Handling operation for anchorage discharge and Barge handling at HDC and the rate already approved by TAMP for shore handling operation including receiving and delivery of cargo in respect of cargo handled a/c vessel by ship's crane has been adopted as the mode of operation is similar. SAIL may please refer to the Section 4.1.(ii) of the Tariff already fixed by TAMP, where the liability and responsibility of the Shore Handling Operator in respect of loading / unloading of wagons has been specified. Regarding imposition of idle freight / punitive rate, it may be stated that the railway loading is carried out under the instruction of the importers and the service provider is not responsible for any idle / punitive freight, if applicable. [HDC proposed a clause under S 6 that demurrage, as applicable, will be payable by the handling agent to the importers / exporters in case of failures to complete loading / unloading of the rake within the stipulated free time].
B.	Other Dispatch related functions which were covered in the scope of work of TAMP notified circular (dtd 26.2.2018) like Wagon Label Pasting etc. are not covered in the current proposal and need to be incorporated.	As proposed by HDC, the provisions mentioned in the upfront tariff notified by TAMP vide gazette no. 76 dated 26.02.2018 for shore handling operation already includes various dispatch related services like fixing of labels on wagons as per requirement of the importer.
(iii).	It is pertinent to mention that HDC finalized other handling schemes at different berths wherein they are charging a composite rate from the users against a set of work of handling dry bulk cargo. It has been observed that the scope of work indicated by HDC for undertaking such handling jobs of dry bulk cargo in a comprehensive manner does not cover certain essential elements of dry bulk handling which is narrated here under: Stock accounting of receipt and despatch of cargo and compensation towards loss of cargo beyond permissible handling loss as per industry norms.	The Upfront Tariff against the shore handling services already approved by TAMP include various activities, which are the basic requirement for transfer of cargo from Hook Point to Stack Yard or vice-versa, stacking / unstacking at the Storage Yard and delivery / receiving of the cargo through road or rail. Most of the activities, which have been mentioned by SAIL are not under the scope of the Port activities as per the section 42 of the MPT Act and thus, not include in the Shore Handling Services for which TAMP has fixed the Upfront Tariff. These activities are specifically required by SAIL, which may be undertaken either by themselves or through engagement of a contractor. Port cannot take liability for undertaken such activities. However, regular sprinkling of water is already undertaken by Port.

	<p>Loading of wagons as per carrying capacity of wagons in line with railway guidelines.</p> <p>Covering of wagons by tarpaulin as per railway/RPF guideline.</p> <p>Storage of cargo grade wise to avoid contamination at the stacks.</p> <p>Although the cargo is stored in the license plot of the user, the actual work of shore clearance, stacking and wagon loading including despatch related services are within the ambit of HDC which are executed by the contractor appointed by HDC. Accordingly, the stockyard management services, stock accounting, protection towards loss of cargo due to either handling loss or security related matter should be logically within the scope of HDC. However, these are not specifically incorporated in the scope of HDC and are not being carried out by the HDC contractor. In turn, the users are advised to make alternative arrangement for getting these jobs done as part of bulk cargo handling requirement at an additional cost.</p> <p>Although, HDC has introduced a guideline for sprinkling water in the cargo stack, approach road, wharf as a mandatory requirement for Pollution Control, the same job is not executed by HDC directly. In turn, the importers like SAIL have to organize undertaking water sprinkling through the HDC contractor at an additional cost.</p> <p>There are certain minor but common requirement like placing of railway indents on port railways, pasting labels on wagons indicating description of cargo loaded and other associated jobs which are essential for dry bulk cargo handling but are not being carried out by HDC under their comprehensive arrangement. These jobs are necessarily carried out by the importers like SAIL through HDC appointed contractor at an additional cost.</p>	
(iv).	<p>In view of general requirements of any user to handle dry bulk cargo at the Ports and for onward despatch, HDC may be advised to frame schemes covering all elements of operation and not restricting their offer to a truncated service. In other words, the users have to any way make arrangement with HDC appointed contractor through a negotiation process by incurring additional expenses. It is, therefore, requested that TAMP may direct HDC to design a comprehensive scheme taking care of general requirement of dry bulk cargo handling at the Port.</p>	

(v).	In the instant case of fixing tariff, the scope of work covers despatch of cargo, shore clearance and despatch related services without taking care of the associated jobs as mentioned above. HDC may be requested to work out tariff to include all the associated jobs as enumerated above. If required, a consultation process can also be initiated by HDC to get feedback from importers of dry bulk cargo through Haldia Port.	
(vi).	Since, the charges in Haldia Port is higher compared to neighbouring major Ports, TAMP may consider more competitive rates for comprehensive service at all locations of HDC.	

2. A joint hearing on the case in reference was held on 19 February 2019 at the KOPT premises. At the joint hearing, the KOPT made a brief Power Point presentation of the proposal. During the joint hearing, the KOPT and other users/ user organizations have made the following submissions:

Kolkata Port Trust

- (i). While fixing the upfront tariff for stevedoring and shore handling operations at HDC in February 2018, TAMP advised HDC to file a proposal for fixation of upfront tariff for Stevedoring operations for anchorage discharge and barge handling at HDC. Hence, the subject proposal has been filed for fixing upfront tariff for Stevedoring operations for anchorage discharge and barge handling at HDC.
- (ii). The upfront tariff for Stevedoring on board ship at anchorage in case of KDS has already been approved by TAMP in January 2018. The anchorage points for KDS and HDC are common. The upfront tariff as approved by TAMP for KDS is proposed to be made applicable for HDC also for lighterage operations.
- (iii). The upfront tariff for loading/ unloading of cargo to/ from barges inside the dock by engagement of Shore Crane/ Excavator, as well as Payloaders/ Forklifts on board (in hatches), has been assessed in line with the guidelines.
- (iv). The methodology of cargo operation for barges is identical with that of cargo loaded/ unloaded from vessel. Hence, the charges for Shore Handling Operation for Dry Bulk and Break Bulk cargo at HDC, has been adopted for fixing tariff for shore handling operations for cargo loaded/ unloaded to/from barges.
- (v). The charges for Receiving and Delivery of cargo as approved by TAMP has been adopted by HDC for fixing tariff for identical operation of cargo handling on account of barges inside the dock.
- (vi). The Board of KOPT has already approved the proposal on 27.12.2018 and we have started implementing the proposal.

(TAMP : Please ensure that all the cargo that would be discharged at the anchorage is covered by the various subsequent operations as listed to avoid mismatch of cargo items listed for each operations.)

(vii). We will look into it.

Five Stat Logistics

(i). We have no comments.

Ripley

(i). We haven't received the proposal.

(KOPT : We will furnish the same to Ripley)

SAIL

(i). We have given our comments in writing. We reiterate our submissions.

(ii). The charges for handling cargo at anchorage is prescribed. Charges for handling at the berth, is also prescribed. But, the rates for movement of barges between the anchorage point to berth is unregulated.

(KOPT: The fixation of barge freight does not come within the ambit of TAMP and KOPT)
