

(Published in Part - III Section 4 of the Gazette of India, Extraordinary)  
**TARIFF AUTHORITY FOR MAJOR PORTS**

**G.No. 82**

**New Delhi,**

**1 March 2017**

**NOTIFICATION**

In exercise of the powers conferred by Sections 48 & 50 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 approving the Performance norm based Incentive/Penalty, Anchorage charges in respect of handling Dry Bulk Cargo at Kolkata Dock System of Kolkata Port Trust, as in the Order appended hereto.

**(T.S. Balasubramanian)**  
**Member (Finance)**

**Tariff Authority for Major Ports**  
**Case No. TAMP/73/2016-KOPT**

Kolkata Port Trust

---  
**QUORUM**

Applicant

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

**ORDER**

(Passed on this 4th day of January 2017)

This case relates to the proposal received from Kolkata Port Trust (KOPT) for approving the Performance norm based Incentive/ Penalty, Anchorage charges in respect of handling Dry Bulk Cargo at Kolkata Dock System (KDS) at KOPT.

2.1. The Ministry of Shipping (MOS) under cover of its letter dated 16 June 2016 has forwarded the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016 and have requested all the Major Port Trusts to take action.

2.2. Accordingly, the KOPT has filed its proposal for approving the Performance Norms based incentive/ Penalty and Anchorage charges in respect of Dry Bulk Cargo handled at KDS.

3.1. The main points made by KOPT in its proposal are summarised below:

- (i). Discussions to sensitize the Berthing Policy vis-à-vis performance norms, incentives/rebates etc have been held with the stakeholders, when they mentioned that the situation at KDS is completely different from other major ports and submitted that because of the following reasons KDS should be kept out of the purview of the Berthing Policy for Dry Bulk Cargo at Major Ports, 2016:
  - (a). Old and small ships call at KDS with small parcel load of dry bulk cargo.
  - (b). About 25% of the dry bulk cargo ships calling at KDS have derrick which are old and having 5 times more cycles time as compared to ship's cranes.
  - (c). No. of ships (of LOA/Beam suitable for KDS) having crane/derrick of SWL of 15-20 tonnes to allow use of 7 cbm grab is not many in the market.
  - (d). Safe Working Load (SWL) of derrick/crane fitted on-board the ship do not always permit use of more than 5 cbm grab.
  - (e). Multipurpose general cargo berths at KDS have narrow quay apron flanked by transit sheds. As such limited space is available on the quay for handling dry bulk cargo.
- (ii). At KDS, there is no dedicated separate dry bulk handling berth. Since general cargo including barge handling is done in those berths, re-rating of berth capacity mentioned in the policy may not be possible, as such not done.
- (iii). At KDS the Pre Berthing Detention (PBD) for Dry Bulk vessel is negligible, if not nil. As such no separate Anchorage charge as provided in the policy has been proposed, However, Anchorage charge proposed by HDC, if any, in implementation of the this policy may also be considered for vessel visiting KDS as common rates structures is being followed in the Scale Of Rates in case of vessel related charges for both the dock system.
- (iv). In compliance of the policy issued by the government, the Board of Trustees of KOPT in its meeting held on 24 August 2016 has decided to introduce the performance based berth charges for two of the dry bulk commodities viz. Coal

and Industrial Salt handled at KDS in the first phase and approved performance norms, penalties and rebates etc. for these two commodities only. A copy of the Agenda note in which details of calculation and justification for the performance norms adopted is furnished by KOPT. The proposal has been approved by the Board of Trustees of KOPT.

- (v). The financial impact of the proposed tariff arrangement cannot be quantified at this stage in view of the uncertainties in predicting the future individual performance of the relevant ships.
- (vi). Accordingly, the proposal of the KOPT seeks approval for incorporation of the following in the Scale of Rates of KOPT:

“Minimum Berth output per ship crane/ derrick per day

<b>Commodities</b>	<b>Norms (in tonnes)</b>
Coal (includes all types of coal and cokes)	1500
Industrial salt	1400

The aforesaid performance norms shall be subject to incentives and penalties as mentioned below:

- (a). For each arrival, ship Berth stay will be calculated based on commodity specific productivity norms and parcel size of vessel.
- (b). If a ship stays within 5% (higher or lower) of the stipulated time for that commodity, then no penalty/ incentive will be levied/ paid.
- (c). In case where actual Berth stay is more than 5% higher than the stipulated time, the number of additional hours spent at berth will be penalized by 2 x berth hire.
- (d). In case where actual berth stay is more than 5% lower than the stipulated time, number of additional hours saved will be incentivized at 1 x berth hire.
- (e). In computing actual performance achieved by each ship for the purpose of calculating penalty/ incentive, any stoppage of operation on account of port related or weather related issues will be discounted. Such exclusions will be limited to:
  - (i). Break down / non availability of port provided equipment at berth.
  - (ii). Weather related stoppages
  - (iii). Shifting of ships between berths on account of port.
  - (iv). Any delays in sailing after vessel readiness to sail on account of port i.e pilot/tug unavailability, tidal conditions.
  - (v). Draft surveys within the prescribed norms for ships. As a guideline, maximum 30 mins per party for interim draft survey would be allowed.  
Any additional time incurred in draft surveys will be considered in berth stay. Where practicable, in case of multi party consignment, common surveyors are to be appointed so as to reduce time lost during interim draft surveys. Vessel Agent / Importers must co-ordinate and inform port.
  - (vi). Any stoppages because of other reasons are not to be excluded for calculation of performance norms, unless specifically approved by Board.”
- (vii). As KDS is not having any dedicated Dry bulk handling berth and have various limitations, any stiff penal provisions like penal berth hire at 3 x berth hire as provided in the policy may have negative impact on whatever small volume presently being handled at this dock system of KOPT. Moreover, at KDS after completion of discharge / loading of dry bulk cargo the vessels have to remain idle

often for a considerable period at the berth for non-availability of pilots, tidal constraints, limited lock windows etc. thus have to suffer for no fault. The stake holders have also opposed this penal measure in the policy during the meeting held with them by port. Thus, to keep a balance between the policy and the industry's need and to maintain the spirit behind imposition of penal berth hire linked to performance norms, the same has been proposed at 2X berth hire instead of 3X berth hire provided in the policy.

3.2. The KOPT has also stated that this will come into effect from 1 September 2016 for all vessels carrying cargo mentioned above to KDS berths. However, incentives and penalties will come into effect after a period of three months or the date as specified by KOPT.

3.3. The KOPT has stated that it had submitted to the MOS by its letter dated 20 June 2016 that the Berthing Policy does not fit into KDS for the following reasons:

- (a). The policy papers lay down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities. Cycle per hour are provided for full load and partial load operations by Harbour Mobile Crane and Ship's crane. The percentage of cargo to be used for full load operation so provided is for Panamax, Supermax and Handymax vessel.
- (b). In KDS, Panamax/ Supermax/ Handymax vessels do not enter inside docks due to draft restriction and size of lock entrance.
- (c). Dry bulk cargo like foodgrains, coal are discharged from barges inside the docks. The barges are loaded from the ships at Sagar anchorage and Diamond Harbour anchorage. The cargo discharge at the anchorage is dependent on the weather conditions, river condition and availability of barges. About 40 barges are available to shuttle cargo like coal, log, foodgrains from the anchorages to the docks. In addition, these barges are also occasionally used for transporting cargo like coal, sugar etc. from the anchorages to HDC. In absence of barges, vessels cannot discharge cargo. Further, cargo like food grains are discharged in the docks from barges after bagging and not in bulk state.
- (d). Inside the dock, there are no Harbour Mobile Cranes to discharge cargo and all unloading from barges are done by private Mobile cranes. This is because the berths are not strong enough to withstand the load of HMCs.

3.4. Subsequently, the KOPT vide its e-mail dated 09 December 2016 has furnished the calculation to arrive at proposed performance norms for vessel carrying coal and for vessel carrying Industrial salt based on the methodology specified for the calculation in the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016 and taking into consideration the present available facilities and infrastructures at KDS, as given below:

(i). **Calculation of Performance Norms for vessel carrying Coal**

**Assumptions:**

Commodity	Density	Grab size in cbm	Grab pick	% for cargo operation		Ship cranes/derricks cycle per hour	
				Full load	Partial load	Full load	Partial load
Coal	0.85	7	90%	55%	45%	18	12

(Except Grab size all other assumptions are as provided in the Berthing Policy for Dry Bulk Cargo 2016. Grab size is taken as presently being used in KDS)

(a). **Tonnes per grab lift**

**Quantity/Lift = Grab size x commodity density x grab pick%**  
 Therefore, Quantity/lift for Coal= 0.85 x 7x 0.9 = 5.36 Tonnes

(The ships that call in KDS are old. For operating grab often power supply from external generators are required and the capacity of derrick/crane do not permit use of grab of higher capacity)

**(b) Tonnes moved per hour of crane operation**

**Quantity per hour = Cycle/hour x quantity per cycle.**

Full load = 18 x 5.36 T per hour = 96.48 T per hour.

Partial load = 12 x 5.36 T per hour = 64.32 T per hour

(The cranes/derricks being old, their movement is very slow and on an average cycles per hour are taken)

**(c). Tonnes moved per day of crane operation**

Quantity per day = Quantity per hour x actual working hrs per day (minus recess)

Full load = 96.48 T x 22 hrs. = 2123 T (rounded off)

Partial load = 64.32 T x 22 hrs = 1415 T (rounded off)

(The no. of working hour is 22 hours and 2 hours (1 hour + 30 minutes + 30 minutes) is the recess period in three shifts.

**(d). Ship specific performance for a vessel taking into account the % of cargo used in full-load vs. half-load operation**

**# of hrs (full- load) = % of full load x Parcel size/Tonnes per day for full-load**

**# of hrs (partial- load) = % of partial load x Parcel size/Tonnes per day for partial-load**

**Productivity = Parcel size/(# of full-load hrs. + # of partial-load hrs.)**

Productivity for a vessel of 8000 T Coking Coal =

Hrs. of Full load operation (55% x 8000 T/2123 T per day) x 24 = 49.5 hrs

Hrs. of partial load operation (45% x 8000 T/1415 T per day) x 24 =61.06 hrs

Therefore, productivity norms for vessel of 8000 T Coking coal would be 8000/110.56 x 22 =1592 T per day per ship's crane

**(As the vessel will work for 22 hrs a day, therefore the productivity per day is required to be calculated on 22 hrs basis and not 24 hrs as provided in the Policy)**

**(ii) Calculation of Performance Norms for vessel carrying Industrial Salt:  
Assumptions:**

Commodity	Density	Grab size in cbm	Grab pick	% for cargo operation		Ship cranes/derricks cycle per hour	
				Full load	Partial load	Full load	Partial load
Industrial Salt	2	7	50%	55%	45%	14	7

(Assumptions are made on the basis of local operational factors. Industrial salt being a hygroscopic compound, it solidifies inside the hatch and does not remain free flowing. The hardened salt has to be crushed prior to discharge and that is why the average hook cycle per hour is taken as 14 for Full load and 8 for partial load)

**(a). Tonnes per grab lift**

**Quantity/Lift = Grab size x commodity density x grab pick%**

Therefore, Quantity/lift for Coal= 2 x 7x 0.5 = 7 Tonnes  
 (The ships that call in KDS are old. For operating grab often power supply from external generators are required and the capacity of derrick/crane do not permit use of grab of higher capacity)

**(b) Tonnes moved per hour of crane operation**

**Quantity per hour = Cycle/hour x quantity per cycle.**

Full load = 14 x 7 T per hour = 98 T per hour.

Partial load = 7 x 7 T per hour = 49 T per hour

(The cranes/ derricks being old, their movement is very slow and on an average cycles per hour are taken)

**(c). Tonnes moved per day of crane operation**

Quantity per day = Quantity per hour x actual working hrs per day (minus recess)

Full load = 98 T x 22 hrs. = 2156 T

Partial load = 49 T x 22 hrs = 1078 T

(The no. of working hour is 22 hours and 2 hours (1 hour + 30 minutes + 30 minutes) is the recess period in three shifts.

**(d). Ship specific performance for a vessel taking into account the % of cargo used in full-load vs. half-load operation**

**# of hrs (full- load) = % of full load x Parcel size/Tonnes per day for full-load**

**# of hrs (partial- load) = % of partial load x Parcel size/Tonnes per day for partial-load**

**Productivity = Parcel size/(# of full-load hrs. + # of partial-load hrs.)**

Productivity for a vessel of 8000 T Industrial Salt =

Hrs. of full load operation =(55% x 8000 T/2156 T per day) x 24 =49hrs

Hrs. of partial load operation = (45% x 8000 T/1078 T per day) x 24 =80

hrs

Therefore, productivity norms for vessel of 8000 T Coking coal would be 8000/129 x 22 =1364 T per day per ship's crane

**(As the vessel will work for 22 hrs a day, therefore the productivity per day is required to be calculated on 22 hrs basis and not 24 hrs as provided in the Policy)**

**(iii) Based on the aforesaid calculation and local working condition Performance norms proposed for Coal (includes all types of coal and coke) and Industrial Salt is as follows:**

**Berth-day output per ship crane (in tonnes)**

<b>Commodities</b>	<b>As per calculation</b>	<b>Norms proposed</b>
Coal	1592	1500
Industrial Salt	1364	1400

4. In accordance with the consultative procedure prescribed, a copy of the KOPT proposal dated 26 September 2016 was forwarded to the concerned users/ user organisations vide our letter dated 18 November 2016, seeking their comments. None of the users/ user organisations have given their comments, till the case was finalized.

5. A joint hearing on the case in reference was held on 24 November 2016 at the KOPT premises in Kolkata. At the joint hearing, the KOPT made a brief power point presentation of its proposal. At the joint hearing, the KOPT and the users/ user organisations have made their submissions.

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 the totality of the information collected during the processing of the case, the following position emerges:

- (i). The Ministry of Shipping in June 2016 has issued the Berthing Policy for Dry Bulk Cargo for Major Ports, and have directed all the Major Port Trusts to implement the norms with actual incentives and penalties. The policy lays down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports. The Policy also lays down penalties and incentive structures to be instituted by all major ports based on the performance norms calculated. The Policy requires all major ports to adapt these guidelines for their own specific ports and institute penalties and incentives tied to the performance norms as part of the overall berthing policy. The Policy also describes a method for re-rating capacity of berths as well as guidelines for levying anchorage charges to reduce turn-around time.
- (ii). In this backdrop, the KOPT has come up with a proposal in September 2016 for approving the Performance norm based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at KDS at KOPT. The separate proposal received from KOPT seeking approval for the norms for Performance, Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC at KOPT is being dealt with separately.
- (iii). As brought out above, the Berthing Policy is with regard to handling of dry bulk cargo. KDS mainly handles Containers and does not handle much of dry bulk cargo. Containers are not covered by the Berthing Policy. Hence, the KOPT has come up with a proposal to introduce the performance based berth charges for two of the dry bulk commodities viz. Coal and Industrial Salt handled at KDS.
- (iv). The Berthing Policy also calls for re-rating capacity of berths. In this regard, the KOPT has stated that at KDS, there is no dedicated separate berth for handling of dry bulk cargo. Since general cargo including barge handling is done in those berths, re-rating of berth capacity mentioned in the policy has not been done by the Port. However, the Berthing Policy provides for methodology for re-rating the Berth Capacity under different scenarios which includes handling of multiple commodities with multiple equipment. Therefore, the port is advised to examine re-rating of the berth capacity taking into account the scenario, best suitable for it.
- (v). Based on the parameters for calculation of commodity specific performance norms, viz., Density of the commodity, Grab size, Grab picking factor for full/ partial cargo operation, deployment of Ship cranes/ derricks cycle per hour for a Full/ Partial load operation, the KOPT has arrived at the Berth-day output per ship crane in respect of Coal (including all types of coal and coke) and Industrial Salt at 1500 tonnes and 1400 tonnes respectively. Each of the above mentioned parameter is discussed below:
  - (a). Density of the Commodities:

The density of Coal and Salt is considered by KOPT at 0.85 and 2 respectively. The density of Coal is seen to be as per the Berthing Policy. However, the density of Salt as prescribed in the Berthing Policy is 1.2. The KOPT in its proposal has mentioned about Industrial salt getting solidified and not remaining free flowing. In view of this position, the KOPT appears to have considered a higher density in respect of Industrial salt, which is relied upon.

- (b). **Size of Grab:**  
The KOPT has considered the Size of Grab at 7 cbm each in respect of Coal and Industrial salt, based on the grab size being presently used in KDS. The Berthing Policy prescribes different grab size depending on the nature/ capacity of the Cranes deployed. For example, the grab size in respect of 100 tonne Harbour Mobile Crane (HMC) for handling of Coal is 35 cbm and that the grab size in respect of 12 tonne ELL Crane (HMC) for handling of Coal is 9 cbm. It is noteworthy that though the Policy prescribes different grab size depending on the nature/ capacity of the Cranes deployed, the Policy (clause 4.1.3) also allows the ports to take into account the actual grab size available in case the grab available with the port is lower and requires the port to plan for optimal grab procurement at a later stage. The KOPT has also stated that the ships that call in KDS are old, requiring external power supply for operating grabs and that the capacity of derrick/crane does not permit use of grab of higher capacity. In view of the above position, the grab size as taken into account by KOPT in respect of Coal and Salt is taken into account.
- (c). **Grab picking factor:**  
The grab picking factor has been considered for coal at 90% and that of Salt at 50%, by KOPT. The stepwise illustration for calculation of performance norms for coking coal as indicated in the Berthing Policy, considers picking factor at 90%. The Berthing Policy does not indicate any norms with regard to grab picking factor for salt. The grab picking factor for coal and industrial salt as considered by the KOPT, is relied upon.
- (d). **Cycles per hour for full load and partial load operations:**  
In the event of deployment of ship crane, the Policy prescribes 18 cycles/ move per hour in case of Full load operations and 12 cycles/ move per hour in case of Partial load operations, in case of both Coal as well as Salt. In case of Coal, the KOPT has considered the norm as prescribed in the Policy. However, in case of Industrial salt, the KOPT has considered 14 cycles/ move per hour in case of Full load operations and 7 cycles/ move per hour in case of Partial load operations, on the ground that Industrial salt solidifies inside the hatch and does not remain free flowing and the hardened salt has to be crushed prior to discharge, which involves some time. In view of the reasoning given by the port, the Cycles per hour for full load and partial load operations in respect of Salt as proposed by the Port is considered in the analysis. As called for by the policy, the KOPT is advised to measure actual performance of ship-crane and take steps to meet the prescribed norms of 18 and 12 for full load and partial load operation respectively for industrial salt.
- (e). **Working Hours:**  
With regard to number of working hours, the Policy requires considering typically 0.5 hour per shift towards idle time, translating to number of working hours of 22.5 per day. At the same time, the Policy also allows initially, the ports to use 1 hour idle time per shift for calculation of norms. Thus, as against the norm of 21 working hours stipulated by the Policy, the KOPT has considered 22 working hours in a day, which is considered in the analysis.
- (f). **Ratio of Full & Partial load for Handysize Vessel:**  
As per the Policy, the percentage of cargo to be used for full load operation and partial load operation for a Handysize Vessel is 55:45. The same has been considered by KOPT in its analysis.
- (g). The following table explains, how the various parameters as discussed above, culminate into the performance norms for Coal and Salt:

Sl. No.	Particulars	Coal		Industrial salt	
		Norms	Proposed by Port	Norms	Proposed by Port
1	Density of commodity	0.85	0.85	1.2	2
2.	Grab size in cbm for Ship crane	12	7	10	7
3.	Grab picking factor	-NIL-	90%	-NIL-	50%
4.	Cycles/ Moves per hour	Full – 18 Partial - 12	Full – 18 Partial - 12	Full – 18 Partial - 12	Full – 14 Partial - 7
5.	Quantity per grab lift (in Tonnes) ( 1 x 2 x 3 )	---	5.36	---	7
6.	Quantity per hour (in Tonnes) ( 4 x 5 )	---	Full – 96.48 Partial – 64.32	---	Full – 98 Partial – 49
7.	No. of working hours	21	22	21	22
8.	Quantity per day (in Tonnes) ( 6 x 7 )	---	Full – 2123 Partial – 1415	---	Full – 2156 Partial – 1078
9.	Parcel size of Handysize Vessel (in Tonnes)	---	8000	---	8000
10.	Ratio of Full & Partial load for Handysize Vessel	55:45	55:45	55:45	55:45
11.	Hours of operation (in hours) ( 10 x 9 / 8 x 24 hours)	---	Full – 49.74 Partial – 61.06 Total – 110.80	---	Full – 49 Partial – 80 Total – 129
12.	Productivity per day per crane (in Tonnes) ( 9 / 11 x 22 hours)	---	1592	---	1364
13.	Productivity per day per crane rounded off (in Tonnes)	---	1500	---	1400

- (vi). Thus, the Minimum per day Berth output per ship crane/ derrick is calculated by KOPT at 1500 tonnes in respect of Coal (including all types of coal and cokes) and 1400 tonnes in respect of Industrial salt. Based on the reasoning furnished by the port in respect of various parameters, this Authority is inclined to prescribe the Performance norms, as proposed by the Port.
- (vii). The KOPT has proposed incentives and penalties with regard to the aforesaid performance norms. The notes prescribed by KOPT in this regard that for each arrival, ship Berth stay will be calculated based on commodity specific productivity norms and parcel size of vessel, if a ship stays within 5% (higher or lower) of the stipulated time for that commodity, then no penalty/ incentive will be levied/ paid, in case where actual berth stay is more than 5% lower than the stipulated time, number of additional hours saved will be incentivized at 1 x berth hire, in computing actual performance achieved by each ship for the purpose of calculating penalty/ incentive, any stoppage of operation on account of port related or weather related issues will be discounted; such exclusions will be limited to; break down/ non availability of port provided equipment at berth, weather related stoppages, shifting of ships between berths on account of port, any delays in

sailing after vessel readiness to sail on account of port i.e. pilot/tug unavailability, tidal conditions, draft surveys within the prescribed norms for ships, any stoppages because of other reasons are not to be excluded for calculation of performance norms, unless specifically approved by Board, are seen to be as per Clauses 8.2 and 8.4 of the Berthing Policy and hence are approved.

- (viii). Clause 8.2 of the Berthing Policy also stipulates that in case where actual Berth stay is more than 5% higher than the stipulated time, the number of additional hours spent at berth will be penalized by 3 x berth hire. However, the port on the ground that after completion of discharge / loading of dry bulk cargo at KDS, the vessels have to remain idle often for a considerable period at the berth for non-availability of pilots, tidal constrains, limited lock windows etc. and that prescription of any stiff penal provision like penal berth hire at 3 x berth hire as provided in the policy may have negative impact on whatever small volume presently being handled at KDS. Thus, to keep a balance between the policy and the need of the industries and to maintain the spirit behind imposition of penal berth hire linked to performance norms, the KOPT has proposed a note to the effect that in case where actual Berth stay is more than 5% higher than the stipulated time, the number of additional hours spent at berth will be penalized by 2 x berth hire. Since the proposed note takes into account the concerns of the users/ user organization and spirit of the policy, the proposed note is approved.
- (ix). The KOPT, on the ground that the Pre Berthing Detention (PBD) for Dry Bulk vessel at KDS is negligible, has not prescribed separate Anchorage charge as provided in the policy. However, the port has stated that the Anchorage charge proposed by HDC, if any, based on the implementation of the Berthing policy, may also be considered for vessel visiting KDS also, as common rates structures is being followed in the Scale Of Rates in case of vessel related charges for both the dock systems. Based on the port's request, the Anchorage charge approved for HDC based on the implementation of the Berthing policy, should be made applicable in respect of KDS also.
- (x). The port has not quantified the financial impact of the proposed tariff arrangement, in view of the uncertainties in predicting the future individual performance of the relevant ships. Given that the proposal of the port is in the nature of levy of penalties/ incentive on account of over stayl of vessel/ early evacuation of berth, there is merit in the argument of KOPT that it may not be possible for it to ascertain the financial impact of the proposed tariff arrangement.
- (xi). In its proposal, the KOPT has stated that the Minimum Berth output per ship crane/ derrick per day is to come into effect from 1 September 2016 for all vessels carrying cargo mentioned above to KDS berths and that the incentives and penalties will come into effect after a period of three months or the date as specified by KOPT. From the proposal of the KOPT, it appears that the users have already been intimated by the port about the Minimum Berth output per ship crane/ derrick per day with effect from 01 September 2016. In the absence of any objections from the users in this aspect, the Minimum Berth output per ship crane/ derrick per day is deemed to have come into effect from 01 September 2016, as proposed by the Port. With regard to the levy of incentives and penalties, they shall come into effect after expiry of 30 days from the date of notification of the Order passed in the Gazette of India.
- (xii). Clause 7.2 of the Berthing Policy encourages the Ports to roll out performance norms in a phased manner during the first year to reach the target levels achievable for each commodity given the infrastructure available at the berths. As brought out earlier, the grab size considered by KOPT in respect of Coal and industrial salt is lower than that prescribed in the Berthing Policy. As stipulated in the said Clause, the KOPT is advised to compute performance norms capturing the size of the grabs as per the norms every quarter in the first year until target norms are reached. In the event of upgradation of infrastructure at berth apart

from improvement in grab size, leading to an improvement in the performance norms approved, the port is advised to come up with a proposal to give effect to the improved performance norms. Further, since the port is expected by the Policy to reach the target levels achievable for each commodity in the first year, it is found appropriate to approve the validity of the proposal approved for a period of one year from the date of notification of the Order passed in the Gazette of India, coming into effect.

8.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the SOR of the KOPT as notified separately in the Gazette of India on 31 January 2017 vide Gazette No. 37.

8.2. The Minimum Berth output per ship crane/ derrick per day is deemed to have come into effect from 01 September 2016, as proposed by the KOPT. The levy of incentives and penalties and Anchorage charges shall come into effect after expiry of 30 days from the date of notification of the Order passed in the Gazette of India.

**(T.S. Balasubramanian)**  
Member (Finance)

**SUMMARY OF ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING  
BEFORE THE AUTHORITY.**

<b>F. No. TAMP/73/2016-KOPT</b>	<b>Proposal received from Kolkata Port Trust (KOPT) for approving the norms for Performance, Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at Kolkata Dock System (KDS).</b>
---------------------------------	---

A joint hearing in this case was held on 24 November 2016 at the Kolkata Port Trust (KOPT) premises. At the joint hearing, the KOPT made a brief power point presentation of its proposal. At the joint hearing, the KOPT and the concerned users/ user organizations have made the following submissions:

**Kolkata Port Trust (KOPT)**

- (i). The Government has issued guidelines for Berthing Policy for Dry Bulk Cargo vessels.
- (ii). The requirement of the Policy is computation of performance norms for dry bulk cargo, recommending penalty and incentive structure, re-rating berth capacity and levy of anchorage charges.
- (iii). KDS does not handle much of dry bulk cargo. It mainly handles containers. Containers are not covered by the Berthing Policy. Hence, it has been decided to introduce the performance based berth charges for two of the dry bulk commodities viz. Coal and Industrial Salt handled at KDS.
- (iv). The performance norm of 1500 tonnes per day for coal and 1400 tonnes per day for industrial salt is fixed based on the methodology of calculation provided in the policy and some assumptions.
- (v). In respect of coal, there is a deviation on the grab size considered. We have considered grab size 7 cbm. instead of 12 for ship crane. For industrial salt, it is 7 CUM instead of 10 CUM.
- (vi). Anchorage charge proposed by HDC, in implementation of this policy is considered for vessel visiting KDS as common rates structures is being followed in the Scale Of Rates in case of vessel related charges for both the dock system.

**ASIC**

- (i). Is the withdrawal for the levy of penal charges for idling of vessels on lighterage points applicable in KDS as well?

(KOPT: Yes.)

- (ii). The infrastructure at KDS is very restricted. The norms may be indicated taking into account the practical problems and the congestion.

(KOPT: All the relevant factors have been considered while proposing the norms.)

-----