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New Delhi, the 8th June, 2001

TARIFF AUTHORITY FOR MAJOR PORTS

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby revises the consolidated charges and conditions for transshipment of dry bulk cargo prescribed for lightening operation carried out at the Visakhapatnam Port Trust by a floating crane operated by the ETA (Dubai), as in the Order appended hereto.

(S. Sathyam)

Chairman

Tariff Authority for Major Ports

Case No. TAMP/2/97-VPTO R D E R

(Passed on this 16th day of May 2001)

This Authority passed an Order on 22 August 97 prescribing a consolidated tariff for lightening operations carried out at the Visakhapatnam Port Trust (VPT) by a floating crane operated by the Emirates Trading Agency of Dubai {ETA (Dubai)}.

2. In August 97 the VPT did not have a consolidated tariff for transshipment operations involving dry bulk cargo. That being so, the ETA (Dubai) had to make a special application for prescription of a specific tariff. Unfortunately, the VPT did not respond at all to the proceedings arising from the ETA case and did not give any inputs at all to help this Authority in deciding the case. But, since it was a case of introduction of a new facility involving an innovative approach to handling of cargoes, we were impelled to entertain the ETA application and get along with its disposal on our own.

3. In the absence of any inputs from the VPT, we accepted the ETA's suggestion that the model prescribed for transshipment of liquid bulk cargo could be adopted for transshipment of dry bulk cargo also. Since it was not possible at that stage to anticipate all the implications attendant to this new arrangement, however, we decided to review the position after six months to order appropriate changes that might be found necessary in the light of experience gained.

4. As it turned out, there were difficulties in the way of full deployment of the floating crane. Since the new arrangement given was thus not really put into operation, not much of experience could be gained to provide a basis for a review. In the event, validity of the original order dated 22 August 97 was maintained pending a review.

5. The situation has now altogether changed. The VPT has started taking interest in the innovative approach to handling of dry bulk cargo involving floating cranes. They are willing to extend the concept of 'prescription of a consolidated charge and conditions for transhipments operations' from liquid bulk cargo to dry bulk cargo also. They have, in fact, submitted a specific tariff proposal in this regard which has separately been considered and approved by this Authority. In this backdrop, there will be no justification any more for retaining a separate specific rate for the floating crane of the ETA (Dubai).

6.1. It is noteworthy that the VPT in reference has been made after consultation with the concerned port users with particular reference to the results of three or four trial runs of the ETA's floating crane. We are inclined to agree with the VPT that the processing of their proposal itself must be seen to be a review of the special arrangement ordered by this Authority on 22 August 97. Flowing from this position, we are further inclined to agree with the VPT that the rate approved with reference to their proposal must be held to be the only common rate for the purpose; and, there shall not be any separate specific rates for individual operators. In other words, this will mean that the order passed in case No.TAMP/4/98-VPT in respect of the VPT proposal will supersede the order passed by us on 22 August 97 in respect of the ETA application. Accordingly based on the collective application of mind, we decide that, to be more precise, the consolidated charge prescribed in case No.TAMP/4/98-VPT separately today for transhipment operation of dry bulk cargo will replace the consolidated charge prescribed in our order dated 22 August 97.

6.2. In order to remove any scope for confusion or ambiguity, the common arrangement approved with reference to the VPT proposal is reproduced below:

"This Authority approves the proposal of the VPT as detailed below:

(i). Consolidated charges shall be levied on each call of a mother vessel subject to the condition that the vessel shall give 10,000 tonnes berth day output:

(a). Upto and inclusive of 3 lakhs tonnes	-	Rs.	8.50 lakhs
(b). Over 3 lakhs tonnes and upto and inclusive of 5 lakhs tonnes	-	Rs.	8.00 lakhs
(c). Over 5 lakhs tonnes and upto inclusive of 8 lakhs tonnes	-	Rs.	7.50 lakhs
(d). Over 8 lakhs tonnes	-	Rs.	7.00 lakhs

(ii). Three times the normal rate of notified berth hire charges per eight hours or part thereof shall be levied for all periods the mother vessel remains idle for reasons attributable to the user.

(iii). A wharfage of Rs. 6/- per tonne shall be levied on the quantity of transhipped cargo and carried to other Ports (without discharge at the VPT).

(iv). All charges such as port dues, pilotage, berth hire, etc., shall be levied on daughter vessels in accordance with the Scales of Rates."

6.3. The order quoted above will be applicable to all cases of transshipment operation of dry bulk cargo including the case of the ETA (Dubai).

(S. Sathyam)

Chairman

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