

No. 229

New Delhi, the 29 August, 2001

Tariff Authority for Major Ports

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 closes the case relating to the proposal of the Nhava Sheva International Container Terminal Limited (NSICT) for denomination in US dollar terms of the some of its existing tariffs that are at present denominated in rupee terms as in the Order appended hereto.

(S. Sathyam)

Chairman

Case No.TAMP/12/2001-JNPT

The Nhava Sheva International Container Terminal Limited (NSICT) - - - Applicant

O R D E R

(Passed on this 9th day of August 2001)

This case relates to a proposal received from the Nhava Sheva International Container Terminal Limited (NSICT) for denomination in US dollar terms of the some of its existing tariffs that are at present denominated in rupee terms.

2.1. This proposal of the NSICT was registered as a tariff case in January 2001. The proposal was, however, not circulated among users / representative body of port-users because of a verbal request made by the Managing Director, NSICT. He suggested that the NSICT would revise its proposal based on the preliminary observations of the TAMP's Office; and, the revised proposal might be taken up for consultation.

2.2. The requests of the NSICT for denomination of some of its tariffs in US dollar terms were considered earlier by this Authority and disallowed for reasons given in its Orders passed on 5 December 1998 and 10 April 2000.

2.3. In the instant proposal, the NSICT has made the following points:

- (i). The principal reason why the TAMP is unable to approve US dollar denominated tariffs is that the NSICT tariff includes wharfage, transportation and rail infrastructure components which cannot be denominated in US dollar terms.
- (ii). The TAMP had stated in its Order that the question of US dollar denominated tariffs would be examined afresh on receipt of sufficient information on the relevant components of the cost.

(iii). The NSICT attempted to obtain these information from the JNPT; but, the JNPT was unwilling to give the details as they were deemed to be confidential.

2.4. In this backdrop, the NSICT has split the approved tariffs into various components and sought dollar denomination of those components claimed to be non-cargo related. For splitting the existing tariffs, the NSICT has made various assumptions about wharfage rates, stowage planning, lashing / unlashng charges, etc.

3. The proposal was scrutinised and a number of issues were raised for clarification by the NSICT vide our Office letter dated 23 Feb. 2001. The NSICT was also advised to reformulate its proposal based on the comments / observations made by this Authority and forward a revised proposal so that the consultation process could be initiated.

4.1. M/s. P & O Ports (I) Limited vide its letter dated 16 March 2001 requested for an official level meeting for a better understanding of the points made in our letter dated 23 February 2001. Accordingly, the Financial Controller, P & O Ports (I) Limited met the officials of this Authority on 3 April 2001 and discussed the relevant issues relating to the proposal in detail. During the discussion, it was mentioned to its representative of that the NSICT had branched off from the JNPT tariff in the November 2000 revision; and, it should work out rates for the different service components based on its own costs without necessarily making any reference to the JNPT tariff. The position was also explained to the Managing Director (NSICT) personally when he visited the office of this Authority on 13 June 2001.

4.2. Since no response was received from the NSICT, it was decided to set a time limit for the NSICT to respond to the queries sent to them. Accordingly, a letter was sent on 27 June 2001 requesting them to forward its revised proposal or its comments / observations on the points mentioned in this Authority's letter dated 23 February 2001 within two weeks. It was also made very clear that if no response was received within the stipulated time limit, the case would be closed.

4.3. This Authority has not received any response from the NSICT so far.

5. The information asked for from the NSICT is relevant for further scrutiny of the proposal. Since, the proposal was registered as a case, it may not be possible to keep it pending indefinitely. It is noteworthy that the proposal has not been circulated for comments among the users, at the specific request of the NSICT.

6. In the light of the position explained above, and based on a collective application of mind, this Authority decides to close this case due to non-availability of requisite information from the NSICT. If the requisite information or a revised proposal is received subsequently from the NSICT, it will be considered afresh then.

(**S. Sathyam**)

Chairman