

No. 226

New Delhi, the 24 August, 2001

Tariff Authority for Major Ports

NOTIFICATION

No.TAMP/11/2001-TPT

In exercise of the powers conferred by Sections 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby approves the proposal of the Tuticorin Port Trust to extend for a further period of three months the validity of the revised special rate for dredging payable by vessels calling at its container terminal, as in the Order appended hereto.

(S. Sathyam)

Chairman

Case No.TAMP/11/2001-TPT

The Tuticorin Port Trust (TPT) - - - Applicant

ORDER

(Passed on this 23rd day of August 2001)

This Authority had passed an Order on 14 June 2001 prescribing a special rate for capital dredging at the Tuticorin Port Trust (TPT). Subsequently, based on a request from the TPT, a reduction in the special rate for capital dredging in respect of vessels calling at the container berth has been approved for a specific period of six months vide this Authority's Order dated 14 February 2001. This Order was notified in the Gazette of India on 27 February 2001; and, therefore, the revised special rate had come into effect for the period from 27 February 2001 to 26 August 2001.

2.1. The TPT has now proposed to extend the concession for a further period of three months from 27 August 2001.

2.2. The TPT has given the following points in support of its proposal:

- (i). The situation in Colombo Port is in a state of flux. Since 80% of container traffic from Tuticorin is transhipped at Colombo, the situation thereat is likely to have an adverse impact on the container traffic through the Tuticorin Port.

(ii). As Insurance Companies have levied a War Risk Premium of US dollar 50 per TEU on containers handled at Colombo, main line vessels may like to call at Tuticorin Port, if concession in tariff is extended now.

3. This Authority has also received requests from Tuticorin Steamer Agents' Association and the PSA SICAL Terminal Limited for an extension of the validity of the revised special rates for capital dredging.

4. It is noteworthy that the special rate was reduced earlier based on a commercial judgement of the TPT. In the instant case also, it is presumed that the TPT has analysed the benefits accrued to it during the earlier period of operation of the concession and it is its commercial judgement that extension of the concession for a further period of three months will attract more container traffic particularly in view of the extraordinary circumstances prevailing at the nearby Colombo Port. In this backdrop, the proposal of the TPT is approved.

5. Accordingly, this Authority decides to extend the validity of the revised special rate for capital dredging on vessels calling at the Container Terminal for a further period of three months with effect from 27 August 2001.

(S. Sathyam)

Chairman