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Tariff Authority for Major Ports

G.No. : 127

New Delhi, 26 August, 2003

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 from the Visakhapatnam Port Trust for amendment in its Scale of Rates on the charges levied for container operations as in the Order appended hereto.

(A.L. Bongirwar)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/39/2003-VPT

The Visakhapatnam Port Trust (VPT)

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Applicant

ORDER

(Passed on this 11th day of August 2003)

This case relates to a proposal received from the Visakhapatnam Port Trust (VPT) for amendments in its Scale of Rates relating to the charges levied for container operations in the light of the Visakha Container Terminal Private Limited (VCTPL) taking over the container operations at the Visakhapatnam Port.

2. The VPT has made the following main points in support of its proposal:

- (i). Before the VCTPL taking over the container operations, the containers arriving into the dock area were shipped in the same dock area after stuffing and the containers landed from the ship at the inner harbour were either re-exported or sent out after destuffing. The container related tariffs in the existing Scale of Rates has been prescribed accordingly.
- (ii). With the VCTPL commissioning the container operations, the ship to shore activity is shifted to the new terminal. The stuffing and de-stuffing operations, however, continue to be carried out in the dock area (inner harbour) of the VPT. In short, the VPT dock area will be used like any other CFS.
- (iii). In view of the change in operation, a need has arisen to make some modifications to the Scale of Rates for better transparency and to avoid multiple payment by the trade.
- (iv). In view of the above, it has proposed the following rates for the containers handled at new terminals and arriving at the docks of the VPT for storage, stuffing and destuffing:

Sr. No.	Particulars	Proposed Rates
(i).	Wharfage on container (box only)	Nil
(ii).	Wharfage on containerised cargo when no stuffing/destuffing is done inside the port premises	Nil
(iii).	Storage charges on laden and empty container	US \$ 0.14 per container per day.
(iv).	The dollar exchange rate/ TT buying prevalent on the day of entry of the container into the docks will be considered for calculation of the storage charges.	

- (v). It has requested adhoc approval of the proposed rates till final approval.
- (vi). For containers loaded/shipped in the Dock area of inner harbour, the rates prescribed in the existing Scale of Rates will, however, continue to be levied.

3. Since the proposed amendments do not involve introduction of any new rates or alteration of the existing rates, adhoc approval to the proposed rates was accorded and conveyed to the VPT vide our letter dated 3 July 2003. For similar reasons, the usual consultative process with the concerned user organisations was not initiated in this case.

4. With reference to the proposal of the VPT, the following position emerges:

- (i). The proposal of the VPT is to remove ambiguity from its Scale of Rates and to avoid levy of multiple charge to the trade in view of the VCTPL taking over the container handling operation at the VPT. The VPT has clarified that if any container is handled at its docks, then the rates prevailing in its Scale of Rates will continue to be levied. The proposed

rates are only for the containers handled at the new container terminal which use the VPT dock area for storage, stuffing and destuffing.

- (ii). With the VCTPL taking over the container operations at the Visakhapatnam port, the containers arriving at the Visakhapatnam port will be handled at the Visakha Container Terminal (VCT) and not in the VPT inner harbour. A separate wharfage rates have already been prescribed for the containers handled at the VCT in our recent Order approving the interim Scale of Rates for the VCTPL. That being so, the proposal of the VPT about not levying wharfage on containers and containerised cargo in such cases is found to be logical since these containers do not use the wharves of the VPT for landing or shipment. This Authority has, therefore, no reservation to approve the proposed modification in its Scale of Rates.
- (iii). As reported by the VPT, though the container will be handled at the new terminal VCT, the stuffing and destuffing operations will continue to be carried out inside the VPT premises. In this backdrop, the VPT has proposed storage charge for containers lying in its premises. Since the proposed storage charge for these containers is the same as prescribed in the existing Scale of Rates, this Authority is inclined to approve it.
- (iv). As per the existing Scale of Rates, the exchange rate prevailing on the day of entry of the vessel inside the port (in case of import) and the day of arrival of the container into the port (in case of export) is to be reckoned with for conversion of the dollar denominated container storage charge into rupee. The existing provision is not found relevant for the containers stored in the VPT inner harbour mainly for stuffing/destuffing operation. That being so, the proposal of the VPT to reckon with the day of entry of the container inside its docks for the purpose of levy of storage rent is reasonable and hence is accepted.
- (v). The VCTPL has commenced the container handling operation at the Visakhapatnam port from 26 June 2003 as reported by the VPT. Since the containers handled at the VCTPL would be arriving at the VPT docks for storage, stuffing, destuffing operations from the date of commencement of the operations, and no tariff existed for such an arrangement as on that date, adhoc approval to the proposed tariff arrangement has already been accorded. The adhoc rates approved earlier are hereby regularised with retrospective effect from 26 June 2003.

5.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves insertion of the following schedule in the Scale of Rates of the VPT below the schedule prescribing wharfage on containers and containerised cargo:

Charges for containers landing or shipped at the Visakha Container Terminal but arriving at the VPT for storage, stuffing and destuffing:

Sr. No	Particulars	Rates
(i).	Wharfage on container (box only)	Nil
(ii).	Wharfage on containerised cargo when no stuffing/destuffing is done inside the port premises	Nil
(iii).	Storage charges on laden and empty container	US \$ 0.14 per container per day.
(iv).	The dollar exchange rate/ TT buying prevalent on the day of entry of the container into the docks will be considered for calculation of the storage charges.	

5.2. The amendment mentioned above will come into effect retrospectively from 26 June 2003.

(**A.L. Bongirwar**)
Chairman