

(Published in Part – III Section 4 of the Gazette of India, Extraordinary)

Tariff Authority for Major Ports

G.No. 189

New Delhi, 23 December 2006

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 approves the wharfage rate for fly ash in the Scale of Rates of the Visakhapatnam Port Trust (VPT) as in the Order appended hereto.

(A.L. Bongirwar)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/49/2006 – VPT

Visakhapatnam Port Trust (VPT)

Applicant

ORDER

(Passed on this 8th day of December 2006)

The Visakhapatnam Port Trust (VPT) vide its letter dated 23 November 2006 has forwarded a proposal for fixation of ad hoc wharfage charges in respect of fly ash on the basis of the representation of the NTPC Vidyut Vyapar Nigam Limited (NVVNL).

2.1. The VPT has made the following main points:

- (i). The NTPC Vidyut Vyapar Nigam Limited (NVVNL), a subsidiary of NTPC, is exporting fly ash for the first time in India. The NVVNL has already dispatched two consignments of 7500 MT and 7293 MT during June 2006 and April 2006 to middle east against the trial order of 54000 MT from VPT. On successful completion of trial order a long-term contract for dispatching 6000 MT per month of fly ash will be finalized.
- (ii). Fly ash is a new commodity being handled at VPT. The existing wharfage schedule in the Scale of Rates of the VPT does not prescribe any specific rate for handling this cargo.
- (iii). For the last two consignments received from NVVNL, fly ash was treated as unenumerated cargo having value of more than Rs.1000/-. Accordingly, wharfage rate prescribed at Rs.40/- per tonne in its Scale of Rates was levied by the port.
- (iv). The NVVNL have represented to the port and requested that wharfage for fly ash may be levied at par with the wharfage rate prescribed in the SOR of VPT, for low value cargo of similar nature such as Blast Furnace Slag, Bentonite, Dolomite chips and River sand.

2.2. In this backdrop, the VPT has proposed to levy the wharfage [for fly ash] at Rs.13/- per tonne (for foreign) and Rs.7.80 per tonne (for coastal) at par with cargo of similar value such as Blast Furnace Slag, Bentonite. In the meanwhile, it also simultaneously proposes to levy this rate on ad hoc basis in accordance with clause 2.17.1 to 2.17.4 of the revised tariff guidelines.

2.3. The VPT has also forwarded a copy of the representation of NVVNL requesting the port to treat the fly ash at par with Blast Furnace Slag for the purpose of levy of wharfage rate in view of similar nature of the cargo.

3. The revised tariff guidelines allows the port to operate the proposed tariff on an ad hoc basis provided it is derived based on the existing notified tariff for comparable services / cargo and is mutually agreed upon by the port and the concerned users.

4.1. In the instant case, the VPT has admitted that fly ash is similar to blast furnace slag, bentonite, dolomite chips for which a specific wharfage rate is prescribed in the Scale of Rates. The representation of concerned user NVVNL also confirms the position reported by the VPT. The proposed rate is lower than the rate applied by VPT for the earlier consignments by categorizing fly ash under unenumerated goods. In view of this position and also recognizing that it is a mutually agreed proposal between the port and the concerned user and is based on the tariff prescribed for similar nature of cargo, this Authority is inclined to approve the proposed wharfage rate for fly ash at

Rs.13/- per tonne (for foreign) and Rs.7.80 per tonne (for coastal). It is relevant to mention that wharfage rate approved for fly ash will apply not only in case of NVVNL but uniformly for any user bringing this cargo to VPT.

4.2. Since it is a mutually agreed rate and derived based on the rate applicable for the similar cargo, this Authority has not insisted on the costing details for handling this cargo. This rate will be reviewed at the time of next tariff revision with reference to the cost of handling this particular cargo. In the meantime, in case any users expresses any grievance on the rate approved for fly ash based on mutual consent between the VPT and the NVVNL, this Authority reserves the right to review the rate at that point of time based on the cost involved for handling this cargo.

4.3. Ordinarily, the rates approved by this Authority are implementable after allowing a lead-time. The VPT expects to handle this cargo at its port on a regular basis but there is no specific wharfage rate provided for fly ash in its SOR. In view of the urgency expressed by the VPT, the rate approved by this Authority shall come in to effect immediately from the date of notification of this order in the Gazette of India.

5.1. In the result, and for the reasons given above, this Authority approves insertion of SI.No.45 in Schedule 4.1 wharfage under Section 4 – Cargo Related Charges in the Scale of Rates of the VPT as follows:

Item No.	Nomenclature	Unit	Foreign Rate (in Rs.)	Coastal Rate (in Rs.)
45	Fly Ash	Per Tonne	13.00	7.80

5.2. This rate shall come in to effect immediately from the date of notification of this Order in the Gazette of India.

(A.L. Bongirwar)
Chairman