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Tariff Authority for Major Ports

G. No. : 128

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 amends certain conditionalities in the Scale of Rates of the Chennai Port Trust in the Order appended hereto.

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

Tariff Authority for Major Ports
Case No. TAMP/46/2003-CHPT

The Chennai Port Trust (CHPT)

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Applicant

ORDER

(Passed on this 11th day of August 2003)

This Authority had passed an Order on 5 October 2002 in case No. TAMP/39/2002-CHPT relating to the general revision of Scale of Rates of the Chennai Port Trust (CHPT). This Order and the (revised) Scale of Rates of the CHPT were notified in the Gazette of India Extraordinary (Part III Section 4) on 9 October 2002 vide Gazette No. 229.

2. The CHPT has now proposed for amendment of certain conditionalities in the existing Scale of Rates as explained below:

A. Substitution of conditionality governing collection of 10% cramage made towards deployment of private cranes when the equipments are not available with the Port Trust.

- (i). As per the existing provision, 10% of the charges specified in the Scale of Rates **is payable** if the crane is not available with the port trust and 10% of the charge **is not payable** when the crane is available with the port trust but not made available to the user due to breakdown, maintenance, etc.
- (ii). The collection of 10% cramage charges made towards deployment of private cranes when the equipment are not available with the port trust is questioned by the users when no services are rendered by the port.
- (iii). The demand of the users is reasonable.

The CHPT has, therefore, proposed to amend the existing conditions. The existing conditions and the proposed formulation are tabulated below:

Existing	Proposed
Scale – 8	
Note (4) :The Private cranes shall be allowed at the request of the party for port operations on payment of 10% of the charges specified in the Scale of Rates. The parties shall be allowed to bring their own equipment if those equipment are not available with the Port Trust. If the equipment are available with the Port Trust and are not made available to the party due to its break down planned maintenance or being used elsewhere, the 10% charge specified above shall not be collected.	"The private cranes shall be allowed at the request of the party for port operations on payment of 10% of the charges specified in the Scale of Rates. However, if suitable equipments are not available with the Port Trust or whenever suitable equipments available with the Port Trust but not made available to the party due to its break-down, planned maintenance or because of having been hired to other party, the 10% charge specified above shall not be collected.
Scale – 11	
Note (6) :The Private cranes shall be allowed at the request of the party for port operations on payment of 10% of the charges specified in the Scale of Rates. The parties shall be allowed to bring their own equipment if those equipments are not available with the Port Trust. If the equipments are available with the Port Trust and not made available to the party due to its break down, planned maintenance or because of having been made available to other party, the 10% charge specified above shall not be collected.	

B. New conditions governing wharf cranes used for lift on and lift off of equipments for cargo handling purpose.

- (i). Berth hire charges include hire charges for use of one wharf crane for cargo handling operation. Such a wharf crane has to be used exclusively for loading and unloading of cargo and any other use like lift on / off of cargo handling equipment do not come under the purview of cargo handling.
- (ii). The users have to hire additional wharf cranes on shift basis for loading and unloading of cargo handling equipments.
- (ii). The users object to the recovery of additional crane charges for loading and unloading cargo handling equipments.
- (iii). Since the equipments lifted on and off the Board facilitate quicker cargo handling, it should be treated as logistic support.
- (iv). The services of equipment like FLT are required for stacking and trimming the cargo and, therefore, it forms an essential part of the vessel work resulting in faster handling.
- (v). Whenever the plants and equipment are lifted on and lifted off the vessels using hired wharf cranes, the operation has to be treated as cargo handling operations and no charge should be levied separately.

4. The proposals of the CHPT have been examined with reference to the relevant provisions in the Scale of Rates and the following position emerges:

- (i). The proposals of the CHPT are not for introduction of any new rates, which will have additional financial burden on the users. The proposed amendments are to remove operational difficulties and provide relief to users. For this reason, the usual consultation procedure usually followed in deciding tariff cases is dispensed with in this case.
- (ii). As per the existing conditionality, the users are permitted to bring private cranes for port operations on payment of 10% of the charges specified in the SOR if the cranes are not available with the Port. When the cranes are available with the port but not made available to the user due to maintenance, breakdown, etc., the 10% charge is not collected. The intention of allowing a 10% recovery is to protect the investment made by the port in its fleet of equipment. When equipments are not available with the port, the question of protecting investment does not arise at all. Hence, this Authority approves the proposed amendment.
- (iii). The berth hire charges include hire charges for use of one wharf crane along with the use of the berth. The use of wharf crane is, however, restricted to loading and unloading of cargo. A user has to hire wharf crane separately to lift on and lift off cargo handling equipment. The port has sought to explain that deployment of cargo-handling equipment on board facilitates quicker cargo handling and the operation has to be treated as cargo handling operations and no charge should be levied separately. The port has proposed to do away with the charging for the wharf cranes when used for lift on / off of cargo handling equipments. The demand of the user is thus conceded by the port. This Authority has, therefore, no reservation to approve the proposal.

5. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the following amendments to the Scale of Rates of the CHPT:

- (i). The existing conditions under Note No. (4) and Note No. (6) of Scale – 8 and 11 respectively are substituted by the following provision:

“The private cranes shall be allowed at the request of the party for port operations on payment of 10% of the charges specified in the Scale of Rates. However, if suitable equipments are not available with the Port Trust or whenever suitable equipments available with the Port Trust but not made available to the party due to its break-down, planned maintenance or because of having been hired to other part, the 10% charge specified above shall not be collected.”

- (ii). The following provisions are included as Notes under Scale 9, Chapter III:

“Note 1: Any plant or equipment lifted on or lifted off aiding the process of landing from or landing of cargo into the vessels, shall not be charged separately, provided the charge has been recovered as part of the Berth Hire charges in the case of first crane or separately hired in the case of additional wharf cranes.

Note 2: However, for work unrelated to cargo handling operations carried out using wharf cranes, necessary charges shall continue to be recovered on per shift / half shift basis as per the Scale of Rates.”

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