

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

Tariff Authority for Major Ports

GNo.25

Delhi,

22 February 2008

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 a special charge for cargo handling worker division activities at the Chennai Port Trust (CHPT) towards the arrears of wages which are due for revision as in the Order appended hereto.

(Brahm Dutt)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/34/2007-CHPT

The Chennai Port Trust

- - -

Applicant

ORDER

(Passed on this 12th day of February 2008)

This case relates to a proposal filed by the Chennai Port Trust (CHPT) for revision of Stevedoring Levy and Clearing & Forwarding (C&F) Levy.

2.1. The CHPT has filed proposal before this Authority in June 2007 for revision of Stevedoring Levy and C & F Levy. The proposal, *inter alia*, includes introduction of a special charge to build up reserves to meet the liability of arrears wages on account of the impending revision of pay and allowances of port workers with effect from 1.1.2007. In this regard, the CHPT has proposed –

- (i) to collect a special charge of Rs.2/- per tonne to recover the wage arrears for the period from the date of effect of wage revision till the date the revised wages are incorporated in its Scale of Rates by this Authority
- (ii) to discontinue the special charge from the date of incorporating the revised wage in the Scale of Rates
- (iii) to adjust the surplus, if any, on this account after meeting the wage arrear liability in the next revision of tariff for stevedoring levy.

2.2. The CHPT has also submitted that it had consulted the relevant user association at the proposal stage and the users had agreed to a special charge of Re.1/- per tonne.

3. The proposal has been taken on consultation with the relevant users. The CHPT has been requested to furnish additional information / clarifications on the entire proposal. A joint hearing in the case in reference was held on 28 January 2008 at the CHPT premises.

4.1. The relevant user associations in their written comments on the CHPT proposal have conveyed that they had agreed in the meetings convened by the CHPT on 6 September 2006 and 6 October 2006 for collection of Re.1/- per tonne from 1 January 2007 by the CHPT on Import Application and Export Application for all cargoes wherever the Cargo Handling Division (CHD) workers are posted till such time the quantified wage arrears for the CHD workers is met.

4.2. The user associations have also requested in the joint hearing held on 28 January 2008 to peg the special charge at Re.1/- per tonne for time being.

5. Since the basic charges are continued to be derived based on the existing wage structure which is reportedly already due for revision retrospectively, the proposal of the CHPT for introducing a special charge to build up reserves to meet the wage revision arrears appears to have merit. Since CHPT has not furnished the financial analysis showing the surplus / deficit position in the stevedoring activity and the estimated financial

liability on account of the impending wage revision, it is found not possible for this Authority at this juncture to decide upon the rate proposed by the port. Nevertheless, all the major associations of port users have agreed for introduction of a special charge at Re.1/- per tonne to meet the wage arrear liability. Since the wage revision is reported to be already due from 1 January 2007, any delay in introducing the special charge may only push up the uncovered wage arrears to be recovered at a later stage, it is found reasonable to introduce immediately the agreed rate of Re.1/- per tonne. This would be an interim arrangement subject to final order to be passed on the proposal of CHPT on receipt of the requisite additional information from the CHPT.

6. The CHPT should ensure that the special charge should be discontinued immediately on recovery of the wage arrear liability. For this purpose, the CHPT is advised to maintain a separate account head and review the accumulations under this head regularly. Excess collection, if any, on this account will be set off fully in the next review of the stevedoring levy at CHPT.

7. In the result, and for the reasons given above, this Authority approves a special charge of Re.1/- per tonne at the CHPT as an interim arrangement which is to be collected on all Import Application and Export Application, wherever cargo handling division workers are deployed.

8. Ordinarily, the rates approved by this Authority will come into effect after expiry of 30 days from the date of its notification in the Gazette of India as stipulated in Clause 3.2.8 of the tariff guidelines. Since any delay in introduction of this special charge will only push up the uncovered wage arrear to be recovered at a later stage, and the users have also agreed to the interim arrangement, this Authority finds it reasonable to order implementation of the revised tariff arrangement after expiry of seven days from the date of Notification of this Order in the Gazette of India. This interim arrangement will be subject to the final order on the proposal of CHPT to be passed.

(Brahm Dutt)
Chairman