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

TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 437 **New Delhi,** **30 November 2016**

NOTIFICATION

In exercise of the powers conferred under Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby accord adhoc approval to the proposal received from the Jawaharlal Nehru Port Trust (JNPT) for equalizing the rates for containers moving by Rail and Road.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/48/2016 – JNPT

The Jawaharlal Nehru Port Trust **- - -** **Applicant**

QUORUM

(i). Shri. T.S. Balasubramanian, Member (Finance)
(ii). Shri. Rajat Sachar, Member (Economic)

O R D E R

(Passed on this 17th day of November 2016)

This case relates to the proposal dated 15 November 2016 received from Jawaharlal Nehru Port Trust (JNPT) for equalizing the rates for moving containers from container yard to Railway Flat or vice versa and from container yard to Truck or vice versa.

2.1. The submissions made by JNPT in its above referred letter are as follows:

(i). The NITI Aayog in its meeting held on 9 August 2016 has advised to equalize the rates charged by JNPT for handling of containers moved by road and rail towards promoting the transfer of containers by rail.

(ii). The current share of rail volume at JN Port, as a total percentage of total container throughput, is less than 15%. Measures have been taken by JNPT to improve the rail share, such as grant of rebate for rail movement from CFS. However, the negative trend is continuing.

(iii). JNPT is capable of handling 30 trains per day with the current infrastructure. The Port is currently handling around 12-15 rakes on a day. This is heavy underutilization of terminal asset.

(iv). The shift of container movement from Rail to Road has resulted in more trucks being deployed on the road to move these containers. This extra number of trucks has led to excess pressure on the limited road infrastructure outside the terminal resulting in traffic congestion and local unrest.

(v). In order to reverse this trend, it is recommended to incentivize containers moving by rail so as to reduce movement by road. It is, therefore, proposed to equalize the rates of handling containers being transferred by rail and road. This would make the entire ICD movement across all destinations move competitive.

(vi). For retaining the gross revenue, a marginal increase is to be made in the cost of moving boxes by road, however the overall benefit like reducing road congestion would justify this marginal increase.

(vii). A proposal was moved vide Item No. 9 in the Board Meeting held on 28 October 2016. The Board of Trustees after deliberation approved the proposal.

2.2. Thus, the JNPT has sought approval for the following:

"3.3.1 CHARGES FOR HANDLING AND MOVEMENT OF CONTAINERS:

The following consolidated charges for handling and movement of container shall be payable by the Shipping Lines or Agents of vessels or cargo agents for services rendered in respect of containers and containerized cargo passing through the port.

A. NORMAL CONTAINERS/ REEFER CONTAINERS :

Sr. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
3	From Container Yard to Railway flat or vice versa (ICD Container Rail only)	844.00	844.00	844.00	844.00
4	From Container Yard to Truck or vice versa (direct delivery and export intake)	844.00	844.00	844.00	844.00

"

2.3. A comparative position of the existing rates and the proposed rates, as given by JNPT is as follows:

Particulars	Size	Existing Rate in ₹	Proposed Rate in ₹	Difference in ₹
Road	20'	476.00	844.00	368.00
	40'	714.00	1,266.00	552.00
Rail	20'	1,547.00	844.00	(368.00)
	40'	2,320.50	1,266.00	(1,054.50)

2.4. Vide the said letter, the JNPT has requested us to notify the proposed rates at the earliest.

3.1. With regard to the proposal of JNPT in reference, action has been initiated to take the proposal of JNPT on consultation with the relevant stakeholders. The consultation process as well as seeking the information from JNPT may involve some time, which may in turn delay the implementation of the proposed rates.

3.2. Considering that the proposal of JNPT has emanated on account of the advice of the NITI Aayog to promote the transfer of containers by rail so as to keep a check on the congestion in the roads as well as the pollution emitted by the vehicles carrying the containers by road, any delay in the implementation of the rates proposed by JNPT, may go against the spirit of the advice rendered by the NITI Aayog.

4.1. In view of the above position, this Authority is inclined to authorise the JNPT to collect the proposed charges with immediate effect on an adhoc basis.

4.2. Given that the JNPT general revision proposal is under process in the Office of this Authority, the financial implication arising out of the implementation of the proposed rates with immediate effect would be captured in the overall revenue estimation in the said case in reference. The rates (to be) approved then, would have a prospective effect.

5.1. In the request and for the reasons given above and based on a collective application of mind, the JNPT is directed to replace the existing rates prescribed in Sl. No. 3 and 4 at Section 3.3.1 (A) under Chapter – III with the following:

"3.3.1 CHARGES FOR HANDLING AND MOVEMENT OF CONTAINERS:

The following consolidated charges for handling and movement of container shall be payable by the Shipping Lines or Agents of vessels or cargo agents for services rendered in respect of containers and containerized cargo passing through the port.

B. NORMAL CONTAINERS/ REEFER CONTAINERS :

Sr. No.	Description	Rate per TEU (in ₹)			
		Foreign Container		Coastal Container	
		Loaded	Empty	Loaded	Empty
3	From Container Yard to Railway flat or vice versa (ICD Container Rail only)	844.00	844.00	844.00	844.00
4	From Container Yard to Truck or vice versa (direct delivery and export intake)	844.00	844.00	844.00	844.00

"

5.2. The above rates are approved on adhoc basis.

5.3. The above rates shall come into effect immediately on notification of this Order in the Gazette of India and shall remain in force till the rates (to be) approved based on the general revision proposal filed by JNPT, comes into effect.

(T.S. Balasubramanian)
Member (Finance)