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TARIFF AUTHORITY FOR MAJOR PORTS

GNo.163

New Delhi

16 October 2008

NOTIFICATION

In exercise of the powers conferred under Section 48 of the Major Port Trust Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal of the Jawaharlal Nehru Port Trust for fixation of charges for Inter Terminal Rail Handling Operations of ICD containers at the container terminals in JNPT as in the Order appended hereto

(Brahm Dutt)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/23/2007-JNPT

The Jawaharlal Nehru Trust

...

Applicant

ORDER

(Passed on this 30th day of September 2008)

This case relates to fixation of charges for Inter Terminal Rail Handling Operations (ITRHO) of ICD Containers at Jawaharlal Nehru Port Trust (JNPT).

2. At the request of JNPT, this Authority vide its Order dated 22 April 2008 had extended the validity of the ITRHO rate of Rs.400 per TEU at JNPT upto 30 September 2008 and had advised JNPT to file a proposal for fixation of ITRHO, by 30 June 2008.

3. After a reminder, the JNPT vide its letter dated 18 July 2008 has made the following main submissions:

- (i). The charges for ITRHO is mainly levied on account of mixed handling of containers that arrive at JNPT and carry containers for the two/ three terminals together.
- (ii). If Railways make proper arrangements and bring dedicated rakes then there is no merit in levying the charge.
- (iii). The activity performed for handling mixed containers is similar to the activity performed for other ICD containers and hence no separate cost details can be furnished for the said activity alone.
- (iv). The individual terminals can levy the tariff already notified for handling containers to/ from ICD terminals separately. However, based on request from the trade and for the purpose of convenience, a common rate was proposed. The said system is working smoothly.
- (v). As pointed out by JNPT earlier, the Inland Way Bill (IWB) issued by CONCOR, indicated the final destination of the terminal i.e. JNPT, GTIPL or NSICT while booking a container. Thus, the final destination of each container being transported by CONCOR is known to CONCOR in advance.
- (vi). Since JNPT is carrying out ITRHO for the benefit of the trade as a goodwill gesture, the CONCOR is trying to overcome its constraints by establishing that they have no legal binding of sending a booked container in their train to the terminal chosen by the shipper. Now, the CONCOR has started the practice of booking the container to JNPT in spite of being fully aware of the final destined terminal.
- (vii). Though the three terminals at JNPT are in one premises, operationally they are independent of each other as they are connected by separate rail lines and handle separate vessels alongside their vessels.
- (viii). JNPT cannot be held responsible for the inefficiency/ ill planning on the part of CONCOR to generate mixed trains for their own benefit/ growth and at the cost of JNPT.

- (ix). There has been no improvement in handling mixed containers as can be seen in the following table:

Month	TEUs handled at JNPT		
	<i>Total</i>	<i>Mixed</i>	<i>% of Mixed</i>
January 2008	89127	27677	31.05%
February 2008	88980	29286	32.91%
March 2008	94460	28846	30.54%
April 2008	91425	24778	27.10%
May 2008	80203	21179	26.41%
Average	88839	26353	29.66%

- (x). The average figure is on a lower side on account of lower handling in May. It is felt that the figure of 35% is a reasonable figure to be adopted while working out a common rate. Considering 35% as base and applying it on the average tariff of Rs.1261/- per TEU, the rate works out to around Rs.440/- per TEU.
- (xi). Since the nature of the operations performed at JNPT and the other terminals are integrated in nature, it is impracticable to maintain cost details for each activity.
- (xii). The rate of Rs.440/- per TEU may be approved for the ensuing period and JNPT will furnish the percentage of mixed containers on a periodical basis for review by TAMP.

4.1. The rate of Rs.400/- per TEU was approved by this Authority subject to review based on the cost details. The Authority vide its Orders dated 28 June 2007, 28 January 2008 and 22 April 2008 had, *inter alia*, advised JNPT to file a detailed proposal with cost analysis. The JNPT had sufficient time to accumulate or compile the data required for filing its proposal with cost details/ analysis.

4.2. In the absence of the cost details, this Authority is not in a position to process the proposal filed by JNPT further. The proposal of JNPT is remitted back to JNPT with a advise to file its proposal with detailed cost analysis at the earliest, in any case not later than 15 November 2008.

4.3. Considering the time required for processing the proposal to be filed by JNPT, this Authority, decides to extend the validity of the existing rate of Rs.400/- per TEU till 31 December 2008. No further extension of the rate will be allowed on adhoc basis without examining the cost details.

(Brahm Dutt)
Chairman