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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 38

New Delhi,

31 January 2017

NOTIFICATION

In exercise of the powers conferred under Sections 48 & 50 of the Major Port Trusts Act, 1963, the Tariff Authority for Major Ports hereby notifies the Performance Norms based Incentive and Penalty for cargo operation in respect of Dry Bulk Cargo handled at Haldia Dock Complex (HDC), of the Kolkata Port Trust (KOPT) as in the Order appended hereto.

(T.S. Balasubramanian)

Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/59/2016 - KOPT

Kolkata Port Trust

Applicant

QUORUM

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

ORDER

(Passed on this 4th day of January 2017)

This case relates to a proposal received from Kolkata Port Trust (KOPT) for approving the Performance Norms based Incentive and Penalty for cargo operation in respect of Dry Bulk Cargo handled at Haldia Dock Complex (HDC).

2. The Ministry of Shipping (MOS) under cover of its letter dated 16 June 2016 has forwarded the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016 and have directed all the Major Port Trusts to implement the norms with actual incentives and penalties.

3.1. Accordingly, the KOPT, vide its letter dated 19 September 2016, has filed a proposal for approving the Performance Norms based Incentive and Penalty for cargo operation in respect of Dry Bulk Cargo handled at HDC.

3.2. The said proposal was taken up for consultation with the concerned users/ user organisations of the KOPT. A joint hearing in this case was held on 24 November 2016 at the premises of KOPT. At the joint hearing, the KOPT and the concerned users/ organisation bodies have made their submissions.

4.1. With reference to the totality of information collected during the processing of the case, this Authority has passed a speaking Order disposing of the proposal filed by the KOPT for approving the Performance Norms based Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC.

4.2. The speaking Order passed by this Authority is in the process of notification in the Gazette of India which is likely to take some time for notification. This Authority desires that the norms for Performance, Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC may come into force without waiting for notification of the detailed speaking Order. Therefore, this Authority notifies the norms for Performance, Incentive/ Penalty, Anchorage charges in respect of Dry Bulk Cargo handled at HDC, which is attached as **Annex**.

5. The said provisions are deemed to have come into effect from 01 October 2016 and may remain valid for a period of one year upto 30 September 2017.

6. The speaking Order passed by this Authority will be notified separately and communicated to the KOPT and the relevant users/ user organisations in due course of time.

(T.S. Balasubramanian)
Member (Finance)

SCHEDULE OF PERFORMANCE NORMS FOR INCENTIVE/ PENALTY FOR HANDLING OF DRY BULK CARGO BY CONVENTIONAL METHOD AT RELEVANT BERTH(S) OF HALDIA DOCK COMPLEX (HDC) AND LEVY OF ANCHORAGE CHARGES AT THE REPORTING STATIONS/ LIGHTERAGE POINTS:

1. Performance norms for loading / unloading of various dry bulk cargo at HDC

1.1. Performance norms:-

1.1.1. For fixation of performance norms for unloading of dry bulk cargo in conventional methods using ship's gears the average crane cycles per hour and average picking factor have been considered as 12 and 0.75 respectively as dry bulk cargo carrying vessels are always calling HDC with 35% to 40% of the full load quantity due to draft constraints.

1.1.2. In the above premises, the average ship day productivity of various dry bulk commodities handled through ship's cranes at relevant berth(s) of HDC, considering four working cranes per vessel and 22.5 hours working time per day, will be as given below:

Performance Norms					
Sr. No.	Commodity	Average crane cycles per hour	No. of cranes per vessel	Grab size in CBM	Ship-day productivity for the first year after the date of its introduction (in MT per vessel per Day)
1	Coal	12	4	12	6225
2	Met Coke	12	4	12	5850
3	Limestone	12	4	12	10275
4	Manganese Ore	12	4	10	7350
5	Iron Ore	12	4	8	9750
6	Fertilizer	12	4	12	6000
7	Cement linker	12	4	12	10950
8	Gypsum	12	4	12	10950

1.2. Penalty/Incentive:-

1.2.1 The stipulated time for a vessel's stay at berth will be calculated based on the stipulated performance norms as mention above.

1.2.2. For failure or success in achieving the stipulated time at berth, penalty / incentive will be applicable as per the provision given below:

- (i). If the actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) remains within 5% (higher or lower) of the stipulated time for that commodity, then no penalty / incentive will be levied / paid.
- (ii). In case where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) exceeds 5% of the stipulated time for that commodity, penalty will be levied 2 times of the normal berth hire charges for additional hours taken to complete the ship's cargo operation.
- (iii). In cases where actual working period of the ship (time between berthing at the working berth till completion of vessel's operation) is lower than the stipulated time by more than 5% of the same then incentive will be paid at the rate of berth hire charges for every additional hour saved.

Note to provisions regarding Penalty/ Incentive Norms:

- (i). For the purposed of calculation of time for computation of penalty / incentive, fraction of an hour will be considered as full hour.
- (ii). In computing actual performance achieved by each ship for the purpose of calculating penalty / incentive and stoppage of operation on account of port related or weather related issues will be discounted. Such exclusions are listed below:
 - (a). Breakdown / non-availability of port provided equipment at berth.
 - (b). Weather related stoppage.
 - (c). Shifting of ships between berth on account of port.
 - (d). Time consumed for each draft surveys upto a maximum period of 30 minutes.
 - (e). Time lost due to stoppage of work for any other reasons will be excluded for calculation of performance norms, only with the approval of the Board.

2. Levy of Anchorage/ penal charges at the reporting stations / lighterage points:

- 2.1. Even after calling the vessel and allocation of pilots by port, the vessel refuses to call at the port or lighterage point due to the reasons attributable to the vessel/ exporter, then Anchorage charges will be levied by port at the following rates:

Idling Time	Applicable penal charges
For first 48 hours after calling the vessel	10% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called
After 48 hours & upto 96 hours	25% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called
After 96 hours till boarding of pilot	50% of the applicable Berth Hire charges as per SOR for the entire duration of waiting since the vessel was initially called

- 2.2. Idling period is to be considered from the time when the vessel is initially called till actual pilot boarding time.
- 2.3. In addition, penalty is also proposed to be imposed at the following rates for idling of vessels at Saugar.

Idling Time	Applicable penal charges
For first 48 hours	25% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof.
More than 48 hours	50% of the applicable Berth Hire Charges as per SOR for idling of vessels for every hour or part thereof for the entire period.

- 2.4. The record pertaining to idle time will be maintained by Harbour Master (River), KOPT, since the related bills are raised from KDS end.
- 2.5. However, the port can exempt vessels from paying anchorage charges in exceptional circumstance and the same will require approval of the Chairman.
3. The performance and penalty/ incentive norms as specified above and levy of anchorage/ penal charge as specified above will be effective from 1 October 2016.

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