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Tariff Authority for Major Ports

G.No. 75

New Delhi,

21 February 2019

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 the proposal received from V. O. Chidambaranar Port Trust (VOCPT) for amendments to productivity norms for dry bulk cargo and penalties and incentives approved vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017 as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/53/2018-VOCPT

V.O.Chidambaranar Port Trust

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Applicant

QUORUM

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

ORDER

(Passed on this 18th day of January 2019)

This case relates to the proposal received from V. O. Chidambaranar Port Trust (VOCPT) for amendments to productivity norms for dry bulk cargo and penalties and incentives approved vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017 at Note No.4 Schedule 2.4.2 under Berth Hire Charges for Other Vessels.

2. The Ministry of Shipping (MOS) under cover of its letter no.F.No.PD-11033/73/2013-PT(pt) dated 16 June 2016 has forwarded the Berthing Policy for Dry Bulk Cargo for Major Ports, 2016 (Berthing Policy guidelines 2016) with an objective to fix productivity norms for dry bulk cargo and to fix penalties and incentives structure taking into account the infrastructure available in the port.

3.1. This Authority has passed an Order No.TAMP/29/2016-VOCPT dated 17 September 2016, approving the revised SOR and Performance Standards on the proposal received from the VOCPT for general revision of its SOR, including incentives and penalties. The said approved SOR prescribes incentives and penalties linked to prescribed productivity norms for dry bulk cargo based on the proposal of VOCPT flowing from the Berthing Policy for Dry bulk Cargo for Major Ports, 2016 at Schedule 2.4.2. Note no.4.

3.2. As brought out in para 14(xxi)(a) of the said general revision Order dated 17 September 2016, the port during the processing of the said proposal which culminated into tariff Order dated 17 September 2016 had stated that some fine tuning is required in the proposed productivity norms and action was to be taken to finalise the productivity norms as per Ministry's directions in consultation with users/ user associations. Hence, it had requested this Authority to consider the productivity norms submitted in the proposal till finalization by the port.

3.3. In the said Order, this Authority while approving the productivity norms and penalty/ incentive as proposed by the VOCPT has directed the VOCPT to file a proposal in consultation with the Trade to notify the modified productivity norms.

3.4. Subsequently, the VOCPT had approached this Authority in November 2016 stating that there are few issues which are erroneously included by the VOCPT in the revised draft SOR sent vide letter dated 09 August 2016 and had filed a proposal for amendments in its general Scale of Rates. The amendments proposed by VOCPT included amendment in Schedule 2.4.2. Note 4 which prescribed productivity norms and penalty/ rebate scheme was approved by this Authority vide its Order No.TAMP/82/2016-VOCPT dated 29 March 2017. The said Order at para 9 (i) (d) brings out the Schedule 2.4.2. – Note 4 as approved in the Order dated 17 September 2016 and the amendment proposed by VOCPT which was approved by this Authority vide Order dated 29 March 2017.

3.5. The existing productivity norms along with incentive and penalty scheme approved by this Authority vide amendment Order dated 29 March 2017 at Schedule 2.4.2. Note (4) is as follows:

Schedule 2.4.2. Schedule of Berth Hire Charges for Other Vessels – Note (4)

The berth occupancy for each vessel will be determined based on the output norms as given below for levy of penal berth hire charges as per the New Berthing Norms, 2016.

<u>NORMS FOR ALL CARGOES</u>			
DRY BULK CARGO			
Sl. No.	Commodity	Productivity Norms (Tonnes per Day)	
1	I Coal & T Coal-IX Berth	28,000	
2	I Coal & T Coal-III/IV Berth	12,000	17,000 After installation of proposed HMC.
3	Garnet Sand (Bulk)	12,000	
4	Gypsum In Bulk	12,000	
5	Ilmenite	15,600	
6	Iron Ore	13,000	
7	Lime Stones	10,000	
8	Rock Phosphate	10,000	
9	Petroleum Coke	10,000	
10	Copper Concentrate	9,000	
11	Potassium Sulphate (Mop,Sop)	9,000	
12	Sulphur	8,000	
13	Sugar(Raw)	7,000	
14	Salt In Bulk	7,000	
15	Clinkers	7,000	
16	Wheat in Bulk	6,500	
17	Diammoniam Phosphate	6,000	
18	Peas (Yellow)	7,000	
19	Urea	6,000	
20	Maize (Bulk)	4,000	
21	Stone(Rough)	5,200	
22	Stone Dust	3,300	
23	Stone Aggregate	3,200	
24	Oil Cake/Copra	2,500	

LIQUID CARGO		
Sl. No	Cargo Name	Productivity Norms
		Average output
1	Furnace Oil – IOC	10,000
2	Naptha – IOC	7,500
3	Naptha – SPIC	3,500
4	Diesel Oil – Jetty / Berth	8,000/3,500
5	LPG	5,000
6	Liquid Ammonia	5,000
7	Caustic Soda Lye	5,000
8	Palm Oil	4,000
9	Sulphuric Acid	4,000
10	Phosphoric Acid	3,500
11	Furnace Oil – Spic	3,000
12	VCM	3,000
BREAK BULK CARGO		
SL. No	Cargo Name	Productivity Norms
		Average output
1	Garnet Sand in Bags	8,000
2	Cement in Bags	2,000
3	Iron and Steel Materials	4,800
4	Logs	4,600
5	Salt in Bags	2,500
6	Sugar in Bags	2,500
7	General Cargo	2,500
8	Granite	2,000
9	Cashew Nuts in Bags	1,500
10	Machinaries	1,200

Notes:

- (i). If a ship stays within 5% (higher or lower) of the stipulated time for that commodity as specified above, then no penalty/incentive will be levied/paid.
- (ii). In cases where actual berth stay is more than 5% **higher** than the stipulated time for that commodity as specified above, number of additional hours spent at berth will be penalised at 3 x berth hire.
- (iii). In cases where actual berth stay is more than 5% **lower** than the stipulated time for that commodity as specified above, number of additional hours saved will be incentivised at 1 x berth hire.

The Performance norms will be revised every quarter during the first year until the target norms for commodity are reached. Subsequent revision will be done yearly or upon up-gradation of berth infrastructure and conforming to directions of Ministry of Shipping, G.O.I.

4.1. The Berthing Policy requires review of norms every quarter. In that context, the VOCPT vide its letter No.TRA-OFTBL-VSL-STEVE-V2-15D337 dated 26 June 2018 has filed the current proposal. The main points made by VOCPT in its proposal dated 26 June 2018 are summarised below:

- (i). As per the prevailing SOR, under Schedule 2.4.2 Note-4, the berth occupancy for each vessel is being determined based on the output norms as given under the schedule as per the new Berthing Norms, 2016. As per the prevailing SoR, the incentive and penal provision is as detailed below:-
 - (a). If a ship stays within 5% (higher or lower) of the stipulated time for that commodity as specified above, then no penalty/ incentive will be levied/paid.
 - (b). In cases where actual berth stay is more than 5% higher than the stipulated time for that commodity as specified above, number of additional hours spent at berth will be penalised at 3 x berth hire.
 - (c). In cases where actual berth stay is 5% lower than the stipulated time for that commodity as specified above, number of additional hours saved will be incentivised at 1 x berth hire.
- (ii). The Berthing Policy for Dry Bulk cargo for Major Ports, 2016, provided for review of the output norms with reference to the achievements once in 3 months. Hence, a review was made on the output norms. The Board vide Resolution No.37 (Agenda Item 37) dated 07.07.2017 resolved to submit the revised output norms in the next Board Meeting after having discussion with the Port users. Accordingly, meeting with the Port users was held on 17.07.2017, wherein the Steamer Agents abstained stating that they have filed a case in the matter in the High Court. The Stevedores and the other users attended the meeting and suggested suitable change in the output norms proposed for revision.
- (iii). As recommended by the IPA and based on the recommendations of the Committee in this regard formed by the port, the revised productivity norms and incentive/ penal provisions to be levied has been implemented with effect from 01.04.2018 since the same is agreed to by the stakeholders. A Trade Notice dated 29.03.2018 has been issued. The main contents of the Trade Notice are detailed below:-
 - (a). Implementation of the cargo wise revised output norms/per day output.

- (b). The penalty/ incentive for performance as under:

Sr. No.	Situation	Penalty/ Incentive
1	If the ship stays upto 5% (higher or lower) of the stipulated time for that commodity as specified in productivity norms.	Nil
2	Berth stay is more than 5% beyond the stipulated time for that commodity as specified in productivity norms.	₹500/- per hour or part thereof for every additional hour.

3	Berth stay is 5% lower than the stipulated time for that commodity as specified in productivity norms.	₹50/- per hour or part thereof for every hour of saving in berth time beyond 5%
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- (c). The penalty shall be levied on Stevedores, and the amount can be claimed by the Stevedores from the cargo interests (Importer/ Exporter) or vessel owners through their agents, depending on the reasons thereof. Same way, incentive will be paid to Stevedores. In the case of liquid cargo the penal berth hire charges/ incentive will be levied on the importer/ exporter.
- (d). The past penalty/ incentive accrued from the date of initial implementation upto 31.01.2018 payable by Ship Agents/ Port will be implemented as per the outcome of the Writ Petition (WP (MD) No.6366 of 2017 pending before Hon'ble High Court of Madras (Madurai Bench).
- (iv). The VOCPT placed an agenda in the Board Meeting dated 7 May 2018 seeking approval for implementing the revised berthing norms and the penalty/ incentive for performance. The Board resolved vide Resolution No.6 of the meeting ibid, ratifying the implementation of the revised berthing norms and the penalty/ incentive for performance with effect from 1 April 2018 and to send proposal to TAMP for ratification for the implementation of revised berthing norms and the penalty/ incentive for performance through Trade Notice and for Notification by the Authority.
- (v). In the Board Meeting held on 7 May 2018, the Board has resolved the following:
- (a). To implement the output norms/ penalty as recommended by the Committee with effect from 1 April 2018, since it is agreed by the stakeholders.
- (b). For Coal Jetty I & II (15,000 TPD), NCB-I (25,000 TPD) i.e., the existing norms as approved in the earlier Board Meeting dated 30 August 2017 will be implemented.
- (c). The penalty/ incentive for performance as under:

Sr. No.	Situation	Penalty/ Incentive
1	If the ship stays upto 5% (higher or lower) of the stipulated time for that commodity as specified in productivity norms.	Nil
2	Berth stay is more than 5% beyond the stipulated time for that commodity as specified in productivity norms.	₹500/- per hour or part thereof for every additional hour.
3	Berth stay is 5% lower than the stipulated time for that commodity as specified in productivity norms.	₹50/- per hour or part thereof for every hour of saving in berth time beyond 5%

- (d). The penalty provisions will be levied on Stevedores, with the provision that the amount can be claimed by the Stevedores from the cargo interests (Importer/ Exporter) or vessel owners through their agents, depending on the reasons thereof. Same way, incentive will be paid to Stevedores. In the case of liquid cargo the penal berth hire charges/ incentive will be levied on the importer/ exporter.
- (e). Proposal to be sent accordingly for ratification and notification to TAMP.
- (f). The past penalty/ incentive accrued from the date of initial implementation (09.11.2016) up to 31.03.2018 payable by Ship Agents/ Port will be placed before the Board on withdrawal of the case by the Ship Agents Association. Otherwise, action to be taken as per the outcome of the Writ Petition (WP) (MD) No.6366 of 2017 pending before Hon'ble High Court of Madras (Madurai Bench).
- (g). As per Para 8.5 of the Berthing Policy for dry bulk cargo for Major Ports, the revised output norms contained in the committee's report to be intimated to IPA.

- (h). While calculating the performance of the vessel, factors beyond the control of the cargo handler like cyclone, heavy rain, labour unrest, etc. will be treated as “dies-non”.

4.2. The VOCPT has also furnished a copy of Trade Circular issued by the port dated 29 March 2018 which covers the matter brought out in para 4.1(iii) above apart from the Revised output norms as given below:

Revised Output Norms:

- (a). (i). For Dry Bulk Cargo:

Sl. No.	Commodity	Productivity Norms (basis 3 hooks)
1.	Coal (IX) Geared	25,000
2.	Coal other than IX Berth	9,000
3.	Garnet Sand (Bulk)	6,000
4.	Gypsum in Bulk	10,000
5.	Ilmenite	8,000
6.	Iron Ore	13,000
7.	Lime Stones	10,000
8.	Rock Phosphate	8,000
9.	Petroleum Coke	8,000
10.	Copper Concentrate	7,000
11.	Potassium Sulphate (Mop Sop)	9,000
12.	Sulphur	8,000
13.	Sugar (Raw)	7,000
14.	Salt in Bulk	7,000
15.	Clinkers	7,000
16.	Wheat in Bulk	4,000
17.	Diammonium Phosphate	6,000
18.	Peas (Yellow)	4,000
19.	Urea	6,000
20.	Maize (Bulk)	4,000
21.	Stone (Rough)	1,320
22.	Stone Dust	1,500
23.	Stone Aggregate	1,500
24.	Oil Cake / Copra	2,500
25.	Cattle Feed	4,000
26.	Ilmenite (Import)	6,000
27.	Lime Stone (Small Vessels)	3,000
28.	Marble Lumps	3,000

- (ii). For Dry Bulk Cargo:

Sl. No.	Commodity	Productivity Norms (tonnes per day)
1.	Coal (Coal Jetty I & II)	15,000
2.	Coal (North Cargo Berth I)	25,000

- (b). For Liquid Cargo:

Sl. No.	Cargo Name	Productivity Norms
1.	Furnace Oil – IOC	6,800
2.	Naptha – IOC	10,000
3.	Naptha – SPIC	2,800
4.	Diesel Oil	3,000
5.	LPG	3,600
6.	Liquid Ammonia	5,000
7.	Caustic Soda Lye	3,500
8.	Palm Oil	3,000
9.	Sulphuric Acid	3,000

10.	Phosphoric Acid (Export)	2,200
11.	Furnace Oil – Spic	3,000
12.	VCM	1,600
13.	Phosphoric Acid (Import)	4,800

(c). For Break Bulk Cargo:

Sl. No.	Cargo Name	Productivity Norms
1.	Cement	1,500
2.	Iron and Steel Materials	1,500
3.	Logs	3,000
4.	Salt in Bags	2,500
5.	Sugar in Bags	1,500
6.	General Cargo	1,500
7.	Granite	2,000
8.	Cashew Nuts in Bags	800
9.	Machinaries	200

4.3. In view of the above position, the VOCPT has sought ratifications of the action taken by the port of having implemented the revised berthing norms and penalty/ incentive for performance with effect from 1 April 2018 as per the trade circular dated 29 March 2018 brought out in para 4.2 above, since same was mutually agreed by stakeholders.

5. While acknowledging proposal and based on the preliminary scrutiny of the proposal dated 26 June 2018, the VOCPT was requested to furnish information / clarification on a few points vide our letter dated 16 July 2018 and reminder dated 27 August 2018. The VOCPT responded vide its letter dated 3 October 2018 to the additional information/ clarifications sought by us. A summary of the information / clarifications sought by us and the response of VOCPT are tabulated below:

Sl. No.	Information/ clarifications sought by us	Reply furnished by VOCPT
(i).	The MOS has issued Berthing Policy for Dry Bulk Cargo for Major Ports 2016. The said policy gives the guidelines for calculation of performance norms for loading/ unloading of dry bulk cargo under various methods for prescribing incentives and penalties with the productivity norms. Following are the variable factors prescribed in the Berthing Policy for calculating normative productivity level: (a). Density of commodity (b). Size of gap available (c). Picking factor for the particular commodity (d). Number of cycles per hour: This value depends on the size and type of crane (ship/shore/HMC) and stage of operation (full-load vs. partial – load). (e). Non-working time per shift (f). % of total cargo that is covered by full-load or partial load operation (g). Vessel profile i.e. Size of the vessel, geared vs. gearless. As brought out in para 14(xxi)(a) of the general revision Order of VOCPT No.TAMP/29/2016-VOCPT dated 17 September 2016, the port during the processing of the said Order had stated that some fine tuning is required in the proposed productivity norms and action is being taken	Berthing Policy for Dry Bulk Cargoes for Major Ports, 2016 issued by the Ministry of Shipping, gives the guidelines for calculation of Penalty/ Incentive linked productivity norms, wherein the variable factors such as density of commodity, size of grab available, picking factor for a particular commodity, vessel profile (size of the vessel, geared vs. gearless), etc. were prescribed for calculating normative productivity level. However, it was observed that - The productivity norms calculated for various cargoes based on the prescribed variable factors were very high and found to be impractical for achieving them. - As per Berthing Policy, productivity norms are rolled out taking into account of the rate of discharge only which is not matching to the rate of evacuation of cargo. - The productivity norms depend on density of cargo which varies with different grades of the same cargo. Hence adoption of common norm for various categories of the same cargo is not reasonable.

	to finalise the productivity norms as per Ministry's directions in consultation with users/ user associations and hence had requested this Authority to consider the productivity norms submitted in the proposal till finalization by the port. The current proposal filed by the VOCPT for revised proposed norms is not supported with calculation following the parameters prescribed in the Berthing Policy issued by the MOS. The VOCPT was requested to furnish the basis and calculation methodology adopted by port for consideration of the proposed productivity norms and confirm that it is in line with the Berthing Policy for Dry bulk Cargo for Major Ports, 2016. If VOCPT has deviated from the prescribed norms, the port to justify the same. • The scheme ignores the capacity of the gears of the vessel which depends on the age of the equipment. The status of implementation of Berthing Policy incorporating the output norms and penalty/ incentive was also ascertained from the other Major Ports. It is learnt that all the Major Ports have not implemented the same and none of the ports has implemented the penalty/ incentive formula as stated in the Berthing Policy for dry bulk cargo issued by Ministry of Shipping and each port has followed their own methodology based on local conditions. Roll-Out of Productivity Norms at VOCPT • Output norms for penalty / incentive were fixed by VOCPT taking 75% of the 3 years (2015-2017) average output and sent to TAMP for approval based on BCG recommendations. The same was notified vide Order dated 17 September 2016 which took effective from 9 November 2016. • In the meantime, MOS communicated the methodology to be followed for fixing the berthing norms in all Ports and directed to implement the berthing norms under the berthing policy for Dry Bulk cargoes for Major Ports, 2016 vide letter No.PD-11033/73/2013-PT dated 16 June 2016. • As per the Ministry's guidelines, the output norms were revised to 100% of average output and was incorporated in the SOR vide corrigendum dated 29 March 2017 for effecting recovery of penalty/ payment of incentive retrospectively from 9 November 2016. • Considering the provisions under Clause 7 – <i>"Guidelines for Rolling out Performance Norms"</i> of the Berthing Policy for Dry Bulk Cargoes for Major Ports, 2016, the achievement/ non-achievement of productivity norms by the vessels handled at the port for a period from November 2016 to March 2017 were reviewed. • Based on the average output calculated, the norm for each cargo was revised. In order to bring uniformity, the proposal for revision of productivity norms for cargoes handled at the port was submitted to the Board along with the suggestions from Port Users. • Board resolved to accord approval for the re-fixation of norms proposed subject to submitting to TAMP and notification by TAMP. Based on the report submitted by Joint Committee (which comprised Port officials and representatives of Tuticorin Stevedores'
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		Association), the proposed productivity norms and rates for penalty/ incentive have been approved by the Board on 7 May 2018. Hence, it is informed that the revision of productivity norms for all the cargoes is in line with the Berthing Policy, 2016.
(ii).	The existing SOR approved by this Authority vide Order dated 29 March 2017 under Schedule 2.4.2 Schedule for Berth Hire Charges for other vessel – Note (4) gives the penalty/ incentives as per Clause 8.2 of the Berthing Policy for Dry Bulk Cargo for Major Port 2016. The VOCPT has now proposed penalty/ incentives at fixed amount. The proposed penalty/ incentive is not found to be in line with the penalty and incentive prescribed in the Berthing Policy 2016 issued by the MOS which is also prescribed in existing SOR at VOCPT. The port is requested to furnish justification and reasoning for deviation in this regard.	• TAMP vide Order dated 10 October 2016 notified the output norms alongwith penalty/ incentive for implementation with effect from 9 November 2016. Penalty proposed in berth hire was at 5 times for achievement below the prescribed output per day and 3 times for achievement below 66.66% of output per day and rebate was at 10% for achievement upto 125% and 20% for achievement above 150%. • Upon receipt of Berthing Policy from Ministry, the output was revised to 100% of average output with penalty @ 3 x BH and incentive @ 1 x BH and got incorporated in the SOR vide TAMP corrigendum order dated 29 March 2017. • Tuticorin Ship Agents' Association filed a writ petition in the Hon'ble High court (Madurai Bench) dated 12 April 2017 against the claim of penal berth raised & obtained interim stay. Also, Tuticorin Ship Agents' Association represented the matter to the Ministry. • The subject matter alongwith the representations by the Ship Agents to the Port for waiver of penal berth hire charges and re-fixation of productivity norms for cargoes like Wind Mill Blades, Over Dimensional Cargo, Wheat & Coal (gearless coal vessels at IX Berth) was submitted before the Board in its meeting held on 7 July 2017. • Board vide Resolution No.37 (Agenda Item 37) dated 7 July 2017 resolved to submit the revised output norms in the ensuring Board after having discussion with the port users. • Accordingly a meeting was conducted with the Port Users on 17 July 2017 and suitable changes in the norms were proposed for revision in consultation with Port Users. • Ministry of Shipping advised IPA to study the issue in implementation of penal berth hire in VOCPT and advise suitably to resolve the issue. • As recommended by IPA, meeting with Steamer/ Stevedore Agents was held on 18 September 2017 in which Chairman, VOCPT constituted a

		Committee to finalize productivity norms & rate for penal berth hire charges. • Board vide Resolution No.6 (Agenda Item : 6) dated 7 May 2018 resolved to implement the output norms/ penalty as recommended by the Committee with effect from 1 April 2018 since agreed by stakeholders and to forward the proposal to TAMP for approval. • The proposal under consideration is to levy penalty for non performance on Stevedores as against the Steamer Agents, since Steamer agents do not have role on discharge of cargo. In this regard, it is also informed that Clause 8.6 of the Berthing Policy for Dry Bulk Cargoes for Major Ports, 2016 provides provision for relaxation of Penalty/ incentive structure. It reads as follows: “All Major Ports are directed to roll-out a performance norms linked penalty/ incentive structure as described above. However, in the exceptional case that the Chairmen and Board of a Major Port Trust feel that introduction of the penalty/ incentive structure will adversely affect ability of the port to retain business, then the port can be given a temporary relaxation from the penalty/ incentive structure. Ports are expected to create a clear argument of the rationale for norms relaxation covering the following points: ▪ Illustrating the potential impact of suggested incentive structure vis-à-vis recommended structure on ₹/MT for end customer. ▪ Demonstrating expected effect on competitiveness of the major port vis-à-vis private competitors for suggested penalty/ incentive structure over recommended structure. ▪ Highlighting the specific steps to be taken by port to ensure roll-out of incentives/ penalties within 6 months.” • The cargo throughput of VOCPT is declining due to increased cost and competition from nearby ports. To retain the cargo base and to improve the through put, it is imperative that the performance norms are reasonable which necessitated the present proposal for revision. • The revised rate of penalty is lower than when compared to that as in the existing SOR approved by TAMP vide Order dated 29 March 2018. However, the revised rate of penalty may be
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		competitive in rates at VOCPT. Hence, it is informed that the revision of penalty/ incentive structure is in line with the Berthing Policy, 2016.
(iii).	(a). The existing Scale of Rates approved by this Authority vide its Order No.TAMP/82/2016-VOCPT dated 29 March 2017 at Schedule 2.4.2 Schedule for Berth Hire Charges for other vessel – Note (4) gives the norms for all cargoes. Under this productivity norms for Industrial Coal & Thermal Coal –IX Berth at 28,000 and for Industrial Coal & Thermal Coal –III/IV Berth at 12000 has been approved by this Authority. However, now the port has changed nomenclature of both this commodity as Coal (IX) Geared at 25,000 and Coal other than IX Berth at 9,000. Further, the VOCPT has also introduced new cargo item for productivity norms namely Coal (Coal Jetty I & II) at 15,000 and Coal (North Coal Berth-I) at 25,000. The VOCPT may furnish justification for change in nomenclature and introduction of new cargo item under coal category and justify the reduced level of productivity proposed now.	The existing Scale of Rates approved by this Authority vide its Order No.TAMP/82/2016-VOCPT dated 29 March 2017 gives the norms for all cargoes wherein the norms for Coal exists as 28,000 MT for Coal (IX berth) and 10000 MT (Correct output norm as per TAMP Order dated 29 March 2017 is 12000 MT) for Coal (III, IV berths). However, apart from berth No. IX, III & IV, coal vessels are handled at other berths also. This necessitated the change in nomenclature as Coal (IX) geared and Coal (other berths). However, the norms of 25,000 MT for Coal (IX) is to be for both geared and non geared vessels. Further, it is informed that the productivity norms under the category Coal (Coal Jetty I & II) and Coal (NCB-1) existed in the SOR approved by this Authority vide its Order No.TAMP/27/2016 dated 17 September 2016. These categories are not new and the same has been included in the latest proposal for amendments under the Schedule 2.4.2 of the existing SOR as the performance of coal vessels handled at Coal Jetties and North Cargo Berth-I would also affect the Turn Around Time and other physical efficiency parameters monitored in the Port. These norms were approved by the Board in the meeting held on 7 May 2018.
	(b). The VOCPT has modified i.e. reduced productivity norms in respect of most of cargo [for example Garnets Sand (Bulk) and Ilmenite, Rock Phosphate, Petroleum Coke, Copper Concentrate etc.], deleted certain cargo items like Garnet Sand in bags and introduced new productivity for cargo items like Cattle Feed, Lime Stone (Small Vessels), Marble Lumps, Phosphoric Acid (Import) in the productivity norms. The VOCPT is requested to furnish the basis and justification for the proposed changes.	Considering the provisions under Clause 7 – “Guidelines for Rolling out Performance Norms” of the Berthing Policy for Dry Bulk Cargoes for Major Ports, 2016, the achievement / non-achievement of productivity norms by the vessels handled at the port for a period from November 2016 to March 2017 (5 months) were reviewed. Based on the average output calculated, the norm for each cargo was revised. In order to bring uniformity, the proposal for revision of productivity norms for cargoes handled at the port including some new cargo items was submitted to the Board along with the suggestions from Port Users. Board resolved to accord approval for the refixation of norms proposed subject to submitting to TAMP and on notification by TAMP. Based on the report submitted by Joint Committee which comprises of 3 Port officials and representatives of port users, the proposed productivity norms and rates for penalty/ incentive has been approved by the Board on 7 May 2018.

		Productivity Norm of 8,000 MT for Garnet Sand (Bags) has been deleted from the list as there is a ban on export of Garnet Sand. Hence, it is informed that the revision of productivity norms for all the cargoes is in line with the Berthing Policy, 2016.
(iv).	The VOCPT has stated that the Steamer agents have filed the Writ Petition (MD) No.6366 of 2017 before Hon'ble High Court of Madras (Madurai Bench). The VOCPT is requested to forward us a copy of the Writ Petition (MD) No. 6366 of 2017 filed by the Steamer Agents and the other users for our records with the updated status of the Writ Petition. The VOCPT is also requested to confirm that there is no direction or order from the Hon'ble High Court of Madras, Madurai Bench in the Writ Petition No. 6366 of 2017 filed by Steamer Agents or any other writ petition, if any, restraining this Authority to take up the current proposal of VOCPT for amendment in Schedule 2.4.2 of the existing SOR.	Tuticorin Ship Agents' Association objected to the output norms and the penal berth hire implemented and filed a Writ Petition No.WP (MD) 6366 of 2017 in the Hon'ble High Court (Madurai Bench) dated 12 April 2017 against the claim of penal berth hire raised on the Ship Agents and the output norms implemented by the port praying not to levy Penal berth hire charges on the Ship Agents and to claim it on the receiver Stevedores. For the said Writ Petition, an order of interim stay of retrospective application of penal berth hire charges i.e. to levy of penal berth hire charges based on revised output norms stated in TAMP order dated 29 March 2017 with retrospective date was obtained on 25 April 2017. Further, the levy of Penal Berth Hire charges was stayed vide Order dated 8 November 2017 in WP (MD) No.5012 in WP (MD) No. 6366 of 2017. In this regard, it is informed that no other order/ direction has been obtained so far from the Hon'ble Court as the case is pending before the Hon'ble Court. [The VOCPT has furnished the copies of W.P(MD) No.6366 of 2017 and W.P.(MD) No.5012 of 2017.]
(v).	The VOCPT has furnished a copy of Board Resolution dated 7 May 2018 approved by the Board of Trustees of VOCPT. In the said Board resolution, the output norms/ penalty as recommended by the Committee formed by port (Annexure –IV) has been approved by the Board of Trustees of VOCPT. However, a copy of Annexure –IV is not furnished by VOCPT with Board resolution. The VOCPT is requested to furnish a copy of said Annex-IV.	As requested a copy of Committee's Report recommending the output norms/ penalty is furnished.
(vi).	The VOCPT is requested to furnish a comparative position of existing Productivity norms and existing penalty/ incentive provisions vis-à-vis proposed Productivity norms as approved by this Authority, proposed amendments alongwith basis and reasons for amendments for each of the items in a tabular form.	As requested, a statement showing comparative position of existing Productivity norms and existing penalty/ incentive provision vis-à-vis proposed productivity norms as approved by this Authority, proposed amendments is furnished. [Consolidated comparative statement is attached as Annex separately as brought out in the subsequent paragraphs]
(vii).	Please furnish the revenue implication to the port due to amendment proposed by the VOCPT.	The revenue implication involved will be meagre and may be taken as nil.
(viii).	The VOCPT has implemented the subject proposal w.e.f. 1 April 2018 and has sought the approval of this Authority with retrospective effect. The port may note that the implementation of subject proposal	For the reasons stated in the earlier replies, it is reiterated that the revision of productivity norms for all the cargoes and penalty/ incentive structure is in line with the Berthing Policy, 2016. Hence, accord

	w.e.f. 1 April 2018 does not have the approval of this Authority.	approval for implementation of subject proposal w.e.f. 1 April 2018.
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6. In accordance with the consultative procedure prescribed, a copy of the VOCPT proposal dated 26 June 2018 was circulated vide our letter dated 16 July 2018 to the concerned users/ user organisations seeking their comments. We have received comments only from Tuticorin Thermal Power Station (TTPS) a copy of which was forwarded to VOCPT as feedback information. The VOCPT vide its letter email dated 26 October 2018 has furnished its reply on comments of TTPS.

7.1. A joint hearing in this case was held on 30 August 2018 at the VOCPT premises. The VOCPT made a brief Power Point presentation of its proposal. At the joint hearing, the VOCPT and the concerned users/ user organizations have made their submissions.

7.2. As decided at the joint hearing, the VOCPT was requested vide our letter dated 7 September 2018 to take action on the following points:

- (i). The Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) has furnished their written submission dated 29 August 2018. A copy of the written submission was forwarded for comments of VOCPT. The port to furnish its comments on the points made by TANGEDCO immediately.
- (ii). At the joint hearing, in the power point presentation made by the VOCPT, the VOCPT had presented slides on comparative position of cargo wise productivity standards approved in the Order dated 17 September 2016, revised productivity standards approved by TAMP in the Order dated 29 March 2017 and the revised proposed productivity standards in the current proposal. The productivity standards proposed are found to be lower than the productivity standards approved in the said two orders for many of the cargo items. The port has stated that proposed productivity standards are based on five months average output achieved during the year 2017-18.

The Port to furnish cargo wise actual average productivity achieved for the said five months of 2017-18 considered by the VOCPT and actual average productivity achieved for each of the years since implementation of the last SOR in November 2016 till the year 2017-18. The VOCPT to also furnish reasons wherever the proposed productivity is lower than the actual productivity achieved by the port.

7.3. With reference to point of action decided at the Joint Hearing brought out in Para 7.2. (i), the TANGEDCO has furnished its comments. In response, the VOCPT vide its email dated 5 November 2018 has furnished its comments on the comments made by TANGEDCO.

7.4. With reference to point of action decided at the Joint Hearing brought out in Para 7.2. (ii), the VOCPT vide its email dated 5 November 2018 has furnished the cargo wise output norms as approved in the amendment Order dated 29 March 2017 based on the proposal of VOCPT, average output norms for 5 months from November 2016 to March 2017, cargo wise actual average productivity for the year 2017-18 along with remarks for the revised productivity norms proposed in the current proposal. As a few mismatch in the remarks column vis-à-vis the actual productivity figures were observed in the statement furnished earlier vide email dated 5 November 2018, the port has subsequently vide email dated 30 November 2018 furnished revised statement. The revised comparative statement furnished by VOCPT vide e-mail dated 30 November 2018 (with markings #, *, **, etc., done by us) is tabulated below:

Current proposal of VOCPT dated 26 June 2018 for further amendment in output norms							
Sl. No.	Cargo Name	Productivity Norms as approved vide Order No. TAMP/29/2016-VOCPT dated 17.09.2016 as proposed by VOCPT	Amended Productivity Norms vide Order dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017 (5 months)	Average Output for April 2017 - March 2018 (1 Year)	Revised norms proposed by VOCPT vide letter dated 26.06.2018	Remarks/ Justifications given by VOCPT vide email dated 30 November 2018 for the amendment proposed in output norms

A. DRY BULK CARGO		(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	
1	Coal - IX Berth	18,000	28,000	26,875	31,583	25,000	Output norms suggested by Joint Committee is proposed.
2	Coal - Other berths	--	12,000	10,137	11,589	9,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed
3	Garnet Sand (Bulk)	6,000	12,000	--	--	6,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
4	Gypsum In Bulk	9,000	12,000	--	19,606	10,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
5	Ilmenite	8,000	15,600	13,736	-	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
6	Iron Ore	9,750	13,000	--	--	13,000	Norms reviewed as per Berthing Policy; Existing Norms agreed by Port users
7	Lime Stones	7,500	10,000	16,667	19,931	10,000	Norms reviewed as per Berthing Policy; Existing Norms agreed by Port users
8	Rock Phosphate	7,500	10,000	8,844	9,799	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
9	Petroleum Coke	7,500	10,000	9,609	8,847	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
10	Copper Concentrate	6,750	9,000	6,956	6,437	7,000	Norms reviewed as per Berthing Policy; Average of 5 months output (7,000 MT) is proposed as Output norms; Agreed by Port users.
11	Potassium Sulphate (Mop,Sop)	6,750	9,000	10,210	8,736	9,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
12	Sulphur	6,000	8,000	10,947	7,942	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
13	Sugar(Raw)	5,250	7,000	--	4,992	7,000	Norms reviewed as per Berthing Policy; Existing Norms of 7000 MT agreed by Port users.
14	Salt In Bulk	5,250	7,000	--	8,331	7,000	Norms reviewed as per Berthing Policy; Existing Norms of 7000 MT agreed by Port users.
15	Clinkers	5,250	7,000	10,135	11,474	7,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
16	Wheat in Bulk	4,875	6,500	5,159	6,300	4,000	Rate of Discharge depends on the storage space availability; Less Warehousing facility at Port. Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
Current proposal of VOCPT dated 26 June 2018 for further amendment in output norms							
Sl. No.	Cargo Name	Productivity Norms as approved vide Order No. TAMP/29/2016-VOCPT dated 17.09.2016 as	Amended Productivity Norms vide Order dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017 (5 months)	Average Output for April 2017 - March 2018 (1 Year)	Revised norms proposed by VOCPT vide letter dated 26.06.2018	Remarks/ Justifications given by VOCPT vide email dated 30 November 2018 for the amendment proposed in output norms

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		proposed by VOCPT						
A. DRY BULK CARGO		(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)		
17	Diammonium Phosphate	---	6,000	--	--	6,000	Norms reviewed as per Berthing Policy; Existing Norms of 6000 MT agreed by Port users.	#
18	Peas (Yellow)	5,250	7,000	3,889	3,257	4,000	Norms reviewed as per Berthing Policy; Average of 5 months output (≈4000 MT) was proposed as Output norms; Agreed by Port users.	*
19	Urea	4,500	6,000	--	4,902	6,000	Norms reviewed as per Berthing Policy; Existing Norms of 6000 MT agreed by Port users	#
20	Maize (Bulk)	3,000	4,000	--	--	4,000	Norms reviewed as per Berthing Policy; Existing Norms of 4000 MT agreed by Port users.	#
21	Stone(Rough)	3,900	5,200	1,323	1,363	1,320	Norms reviewed as per Berthing Policy; Average of 5 months output (≈1,320 MT) is proposed as Output norms; Agreed by Port users.	•
22	Stone Dust	2,475	3,300	2,216	1,922	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	•
23	Stone Aggregate	2,400	3,200	2,078	2,385	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	•
24	Oil Cake / Copra	1,875	2,500	2,508	2,579	2,500	Norms reviewed as per Berthing Policy; Average of 5 months output (≈2500 MT) is proposed as Output norms; Agreed by Port users.	#
25	Cattle Feed	--	--	5,425	6,136	4,000	New category; Norms reviewed as per Berthing Policy; Output Norms Suggested by Port Users is proposed.	**
26	Ilmenite (Import)	--	--	--	6,969	6,000	New category; Norms reviewed as per Berthing Policy; Output Norms Suggested by Port Users is proposed	**
27	Lime Stone (Small Vessels)	--	--	--	--	3,000	New category; Output Norms Suggested by Port Users	**
28	Marble Lumps	--	--	--	--	3,000	New category; Output Norms Suggested by Port Users.	**
B. DRY BULK CARGO - COAL								
1	Coal (Coal Jetty I & II)	11,250	--	12,823	13,671	15,000	Output norms suggested by Joint Committee is proposed.	**
2	Coal (NCB-1)	18,750	--	22,340	23,330	25,000	Output norms suggested by Joint Committee is proposed.	**
Current proposal of VOCPT dated 26 June 2018 for further amendment in output norms								
Sl. No	Cargo Name	Productivity Norms as approved vide Order No. TAMP/29/2016- VOCPT dated	Amended Productivity Norms dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017	Average Output for April 2017 - March	Revised norms proposed by VOCPT vide letter	Remarks / Justifications given by VOCPT vide email dated 30 November 2018 for the amendment	

		17.09.2016 as proposed by VOCPT		(5 months)	2018 (1 Year)	dated 26.06.2018	proposed in output norms
C. LIQUID CARGO		(Tonnes per Day)	(Tonnes per Day)	Average output	Average output	(Tonnes per Day)	
1	Furnace Oil – IOC	7,500	10,000	4,821	5,949	6,800	While reviewing the norms as per Berthing Policy the Output Norm of 6800 MT proposed by Port was accepted by the users. (5 months average output for Nov 2016 - March 2017 given as 10,591 MT in the earlier reply is required to be corrected as 4,821 MT)
2	Naptha – IOC	7,500	7,500	--	--	10,000	Norms reviewed as per Berthing Policy; Norms of 10000 MT agreed by Port users
3	Naptha – SPIC	3,000	3,500	3,004	4,643	2,800	While reviewing the norms as per Berthing Policy the Output Norm of 2800 MT suggested by the users was accepted by the Port.
4	Diesel Oil – Jetty / Berth	6,000	8,000 / 3,500	--	5,561	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
5	LPG	5,000	5,000	4,015	4,102	3,600	While reviewing the norms as per Berthing Policy the Output Norm of 3600 MT suggested by the users was accepted by the Port.
6	Liquid Ammonia	3,750	5,000	7,860	7,739	5,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
7	Caustic Soda Lye	3,750	5,000	4,093	3,985	3,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
8	Palm Oil	3,000	4,000	3,602	3,740	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
9	Sulphuric Acid	3,000	4,000	3,143	2,237	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
10	Phosphoric Acid (Export)	2,625 (Phosphoric Acid)	3,500	2,172	2,304	2,200	Norms reviewed as per Berthing Policy; Average of 5 months output (2,200 MT) is proposed as Output norms; Agreed by Port users.
11	Furnace Oil – Spic	2,250	3,000	3,357	3,482	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
12	VCM	2,250	3,000	2,611	2,982	1,600	While reviewing the norms as per Berthing Policy the Output Norm of 1600 MT suggested by the users was accepted by the Port.
13	Phosphoric Acid (Import)	--	--	7,948	7,680	4,800	New category; Norms reviewed as per Berthing Policy; Output Norms Suggested by Port Users is proposed.
Current proposal of VOCPT dated 26 June 2018 for further amendment in output norms							
Sl. No	Cargo Name	Productivity Norms as approved vide Order No. TAMP/29/2016-VOCPT dated	Amended Productivity Norms dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017	Average Output for April 2017 - March	Revised norms proposed by VOCPT vide letter	Remarks / Justifications given by VOCPT vide email dated 30 November 2018 for the amendment

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		17.09.2016 as proposed by VOCPT		(5 months)	2018 (1 Year)	dated 26.06.2018	proposed in output norms
D. BREAK	BULK CARGO	(Tonnes per Day)	(Tonnes per Day)	Average output	Average output	(Tonnes per Day)	
1	Cement in Bags	1,500	2,000	1,483	1,289	1,500	Norms reviewed as per Berthing Policy; Average of 5 months output (1,500 MT) is proposed as Output norms; Agreed by Port users.
2	Iron and Steel Materials	3,600	4,800	1,846	2,715	1,500	Norms reviewed as per Berthing Policy; Norms Suggested by Port Users is proposed
3	Logs	3,450	4,600	3,611	3,570	3,000	Norms reviewed as per Berthing Policy; Norms Suggested by Port Users is proposed
4	Salt in Bags	1,875	2,500	--	--	2,500	Norms reviewed as per Berthing Policy; Existing Norms of 2500 MT agreed by Port users
5	Sugar in Bags	1,875	2,500	--	--	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
6	General Cargo	1,875	2,500	--	790	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
7	Granite	1,500	2,000	3,017	2,813	2,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
8	Cashew Nuts in Bags	1,125	1,500	779	1,227	800	Labour intensive; Discharged in Gunny Bags of capacity 50 kg; more spillages; sweeping of cargo takes more time. Norms reviewed as per Berthing Policy; Average of 5 months output (800 MT) is proposed as Output norms; Agreed by Port users.
9	Machinaries	900	1,200	631	456	200	Handling of Wind Mill Blades requires more Safety; Pre commencement and Post completion works like Lashing/ Unlashing and Welding/ un-welding are time consumptive in nature; Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.
10	Garnet Sand in Bags	--	8,000	--	--	--	Ban on Export

- Amended norms now proposed by VOCPT are lower than productivity norms approved in the Order dated 29 March 2017 and also lower than the actual average output norms achieved in the year 2017-18 (for five months from November 2016 to March 2017).
- # Amended norms are maintained as on 29 March 2017 Order that the actual output norm achieved for 2017-18 and 5 months 2016 is highest.
- * Proposed norm is lower than norm prescribed in Order dated 29 March 2017 but higher than the actual output norm achieved for 5 months i.e. November 2016 to March 2017.
- ** New category proposed.
- # # Proposed norm is higher than 2017 Order as agreed by users.

8. Apart from above, the TANGEDCO has made a request to the Poompuhar Shipping Corporation to explore the feasibility of deploying 16 CBM Grab in the Supermax Geared vessels for Tuticorin sector to avoid payment of penalty on account of poor discharge performance of vessels and VOCPT has forwarded a copy of the request vide its e-mail dated 26 October 2018 to TAMP. The VOCPT has furnished its comments on the request of TANGEDCO.

9. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the comments received and arguments made by the concerned

parties will be sent separately to the relevant parties. These details will also be made available at our website <http://tariffauthority.gov.in>.

10. With reference to the totality of the information collected during the processing of the case, the following position emerges:

- (i). The proposal filed by the V.O. Chidambaranar Port Trust (VOCPT) is for amendment to the productivity norms and penalty and incentives approved by this Authority vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017. The proposal flows from the representation made by the Tuticorin Ship Agents' Association (TSAA).
- (ii).
 - (a). During the general revision of Scale of Rates of the VOCPT in September 2016, the port, amongst other tariff items, had proposed productivity norms based on 75% of the three years (2013-14, 2014-15 and 2015-16) average output achieved by the port for each of the Dry Bulk and break bulk cargo items. The port agreed to fine tune the productivity norms as per the Berthing Policy issued by the MOS in consultation with users/ user associations and in the meantime requested this Authority to approve the proposed productivity norms. Hence, the productivity norms as proposed by the port was approved by this Authority in the Order dated 17 September 2016.
 - (b). Subsequently, the VOCPT had approached this Authority in May 2017 with a proposal seeking amendment in the productivity norms along with amendment of few errors in the SOR observed by the VOCPT. In the said proposal, the proposed productivity norms proposed by the VOCPT were improvement over the productivity norms prescribed in the September 2016 Order by considering 100% of the average productivity achieved by the port in the last three years. The port had also proposed the penalty and incentive scheme strictly as per the Berthing Policy, 2016. The amendments as proposed by the VOCPT, in this regard, were approved by this Authority vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017. The amendments approved in the said Order were deemed to have been come into effect from the date the revised Scale of Rates approved by this Authority vide Order dated 17 September 2016 came into effect i.e. w.e.f. 9 November 2016.
 - (c). Now, the current proposal filed by the VOCPT is for further amendment in the productivity norms as well as penalty and incentive scheme approved by this Authority in the Order dated 29 March 2017. The main reason for mooted this proposal is that the improved productivity at 100% of the average productivity norms of last three years approved by this Authority as proposed by the VOCPT has been objected by the user associations mainly Tuticorin Ship Agents Association (TSAA), when the port claimed penal berth hire charges as per the amended productivity norms based on the said Order of 29 March 2017 from the Ship Agents.
 - (d). The TSAA has filed the Writ Petition (MD) No.6366 of 2017 before Hon'ble High Court of Madras (Madurai Bench) challenging levy of penal berth hire charges by the VOCPT as per the Order dated 29 March 2017 and that too with retrospective effect. This Authority is not made the Respondent in the said Writ Petition. The port has clarified that the Hon'ble High Court has granted interim stay on 25 April 2017 on retrospective application of penal berth hire charges based on revised output norms approved by this Authority vide Order dated 29 March 2017. Further, the levy of Penal Berth Hire charges is also stayed by the Hon'ble High Court vide Order dated 8 November 2017 in WP (MD) No.5012 in WP (MD) No.6366 of 2017. The VOCPT has confirmed that there is no other direction or order from the Hon'ble High Court of Madras, Madurai Bench in the Writ Petition filed by TSAA. The current proposal of the VOCPT is to moderate the productivity norms prescribed in the Order dated 29 March 2017 based on revised norms suggested by users and also moderation in penalty and incentive at fixed amount per hour basis instead of percentage linked to berth hire charges. The port has, already based on approval of its Board of Trustees implemented the revised output norms / penalty as recommended by the

Committee with effect from 1 April 2018, on the ground that it is agreed by the stakeholders.

Thus, in short there is no direction to this Authority restraining to take up the current proposal of VOCPT for amendment in the productivity norms and penalty and incentive scheme prescribed at Note 4 in Schedule 2.4.2 in the existing SOR of VOCPT.

- (iii). (a). The Berthing Policy for Dry Bulk Cargo for Major Ports issued by the Ministry of Shipping (MOS) in June 2016 directs all the Major Port Trusts to implement the norms with actual incentives and penalties. The policy lays down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports. The Policy also lays down penalties and incentive structures to be instituted by all major ports based on the performance norms calculated. The Policy requires all major ports to adapt these guidelines for their own specific ports and institute penalties and incentives tied to the performance norms as part of the overall berthing policy.

The parameters to be considered for calculating normative productivity level as per the Berthing Policy are Density of commodity, Size of gap available, Picking factor, Number of cycles per hour, Non-working time per shift, % of total cargo that is covered by full-load or partial load operation and Vessel profile. Though the port, in the last tariff revision, had stated the port will fine tune the productivity norms as per the Berthing Policy 2016, the current proposal filed by the VOCPT for revised proposed norms is not supported with calculation following the parameters prescribed in the Berthing Policy issued by the MOS. The port was, therefore, requested to furnish the basis and calculation methodology adopted by port for consideration of the proposed productivity norms and confirm that it is in line with the Berthing Policy for Dry bulk Cargo for Major Ports, 2016 and furnish justification in case of deviation from the prescribed norms.

In this context, the port has submitted the following reasons for not being in a position to furnish output norms based on the various parameters given by the MOS in the Berthing Policy:

- (i). The productivity norms calculated for various cargoes based on the prescribed variable factors were very high and found to be impractical for achieving them.
- (ii). As per Berthing Policy, productivity norms are rolled out taking into account the rate of discharge only which is not matching to the rate of evacuation of cargo.
- (iii). The productivity norms depend on density of cargo which varies with different grades for the same cargo. Hence adoption of common norm for various categories of the same cargo is not reasonable.
- (iv). The scheme ignores the capacity of the gears of the vessel which depends on the age of the equipment.

The VOCPT has stated that the TSA also represented the matter to the MOS. The MOS referred the matter to Indian Ports Association (IPA). The IPA has advised the port to revisit the norms. As recommended by IPA, port had meeting with Steamer/ Stevedore Agents on 18 September 2017 and as outcome of the said meeting, the VOCPT had constituted a Committee to finalize productivity norms and rate for penal berth hire charges.

The port has stated that as required in the Berthing Policy, the port has reviewed the output norms based on the productivity achieved by the vessels handled for the period from November 2016 to March 2017. Based on the average output of five months i.e. from November 2016 to March 2017, the revised norms for each cargo items have been proposed and that the revised productivity norms proposed by the port are based on the recommendation of the Joint Committee which comprises of Port officials and representatives of port users viz. Tuticorin Stevedores Association. Further, the proposed productivity norms and rates for penalty/ incentive

have been approved by the Board of Trustees of VOCPT on 7 May 2018. The Board of Trustees of the VOCPT has approved the revised output norms w.e.f. from 1 April 2018 as recommended by the Joint Committee constituted by the port Chairman comprising of the port officials and representatives of Tuticorin Stevedores' Association as it has been agreed by the stakeholders.

In this backdrop, the current proposal filed by the VOCPT for amendment to the productivity norms and penalty and incentives approved by this Authority vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017 is taken up for consideration.

- (b). The port has contended that revision of productivity norms for all the cargoes is in line with the Berthing Policy, 2016. In this context, it is to state that the revised productivity norms proposed by the VOCPT is based on the empirical data and it is not arrived in a scientific manner based on the parameters prescribed in the Berthing Policy.

Further, the Berthing Policy, 2016 prescribes penalty at 3 times the berth hire for number of additional hours spent at berth in case where actual berth stay is more than 5% higher than the stipulated time for that commodity as per the prescribed productivity norms. In cases where actual berth stay is more than 5% lower than the stipulated time for that commodity for the prescribed productivity norms, number of additional hours saved will be incentivized at 1 x berth hire. As against the above position, the port has proposed the penalty at ₹500/- per hour and incentive at ₹50/- per hour for the variation beyond 5%.

Thus, in view of the above, the point made by the VOCPT that the proposed productivity norms nor the penalty/ incentive scheme proposed by the port is as per the Berthing Policy 2016 is not found to be factually correct.

- (c). As regards the point made by VOCPT brought out in para (iii) (a) above, it is relevant here to state that of the eleven Major Ports, COPT, NMPT, KOPT and PPT have filed separate proposals seeking approval for incentive/ penalty scheme under the Berthing Policy, 2016. The VOCPT had proposed penalty/ incentive scheme and productivity norms as a part of the general revision of its Scale of Rates taking the actual productivity data as the base as explained in earlier paragraphs.

As regards the reasoning given by the port for not following the parameters given in the Berthing Policy, 2016 to arrive at the proposed productivity norms, it is to state that Major Port Trusts viz. KOPT, PPT and NMPT have arrived at the productivity norms following the parameters given in the Berthing Policy. The KOPT and PPT have, however, for justified reasons moderated productivity norms which have been approved by this Authority for a period of one year. As regards COPT, though the Berthing Policy is for Dry bulk cargo, the port has proposed productivity norms for POL products and cement handled through pipe line to improve productivity as in their case handling for dry bulk cargo is significantly low. The JNPT proposed productivity norms for break Bulk cargo for improvement in the productivity of these cargo groups though Berthing Policy, 2016 does not envisages penalty/ rebate linked to productivity for liquid and break bulk cargo.

The Berthing Policy lays down standardized guidelines for all major ports to compute performance norms for different dry bulk commodities, taking into account the infrastructure available at ports. In view of the above position, the VOCPT is advised to examine the possibility of arriving at the productivity norms following the relevant parameters prescribed in the Berthing Policy during the next revision. In the meantime, this Authority proceeds to consider the current proposal of the VOCPT for revision in the productivity norms based on the actual average productivity.

- (iv). (a). During the processing of the case, the port has stated the revised productivity norms are based on the actual productivity achieved by the port for five months. The port was, therefore, requested to furnish cargo wise actual average productivity achieved for the five months of the year 2017-18 considered by the VOCPT and actual average productivity achieved for

each of the years since implementation of the last SOR in November 2016 till the year 2017-18 and to also furnish reasons wherever the proposed productivity is lower than the actual productivity achieved by the port. The port has furnished the requisite statement furnishing the productivity norms approved in March 2017 Order, actual productivity achieved by the port from November 2016 to March 2017 (5 months) and for the whole year 2017-18, proposed productivity norms along with reasons/ remarks. The said statement furnished by the port is attached as **Annex - I** with insertion of the last column bringing out the productivity norms approved by this Authority.

- (b). It can be seen from the said statement that for most of the cargo items, the port has proposed revised productivity norms which are lower than the level approved in 29 March 2017 Order. For a few items the port has maintained productivity norms as prescribed in the March 2017 Order. The port has proposed revised productivity norms higher than that prescribed in March 2017 Order for one cargo item i.e. Naptha IOC. For Coal (Coal Jetty I & II) and Coal (NCB - 1), no separate specific productivity norms were prescribed in the March 2017 Order. In the current proposal, the port has proposed output norms for these two coal cargo items higher than that achieved by the port for the period November 2016 to March 2017 and for the year 2017-18. The output norms proposed for Coal Jetty I & II and Coal (NCB-1) has been dealt with separately in subsequent paragraphs. For a few cargo items, the revised productivity norms proposed by the port are lower than the productivity norms prescribed in March 2017 Order and also lower than the actual productivity achieved by the port for the period November 2016 to March 2017 (5 months) and for the year 2017-18, except general cargo where the proposed productivity norm is more than the average output for one year from April 2017 to March 2018. Such cargo items are indicated with (•) in the statement given at para 7.4. in preceding paragraph. This is illustrated below for two cargo items for ease of understanding:

Sl. No.	Commodity	Productivity Norms as approved vide Order No. TAMP/29/2016-VOCPT dated 17.09.2016 as proposed by VOCPT	Amended Productivity Norms vide Order dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017 (5 months)	Average Output for April 2017 - March 2018 (1 Year)	Revised norms proposed by VOCPT vide letter dated 26.06.2018
		(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)
1	2	3	4	5	6	7
1	Coal - IX Berth	18,000	28,000	26,875	31,583	25,000
2	Coal - Other berths	-	12,000	10,137	11,589	9,000

It can be seen that the proposed productivity norms for these two cargo items are lower than the norms that were prescribed in March 2017 Order and also lower than the actual productivity achieved by the port for November 2016 to March 2017 (5 months) and for the year 2017-18.

- (c). Despite specific request to furnish the justification for cargo items where the proposed productivity is lower than the productivity achieved for the period November 2016 to March 2017 and for the year 2017-2018, the only remark given by the port is that the Norms have been reviewed as per Berthing Policy and that existing Norms have been agreed by Port users. For coal at Berth No.IX, the remark given by the port is that revised output norms suggested by the Joint Committee is proposed. The port has not adequately justified the reasons for proposing revised productivity norms lower than the productivity already achieved by the Port for the five months from November 2016 to March 2017 and the year 2017-18.

As per 4.1.3. of the Berthing Policy norms are to be calculated by taking into account the best infrastructure that is available at the berth to determine commodity-wise productivity norms. This is to ensure that ports are able to maximize berth productivity, reduce turn around time for customers and improve RoCE for port's assets. As per para 8.1. of the said Policy, the objective of the performance linked incentive/ dis-incentive structure is to continuously drive productivity improvements across ports and reward the vessels/ customers that are exceeding the norms, thus creating value for

the port in addition to allowing customers and trade to bring down the cost of logistics.

- (d). In view of the above said provision in the Berthing Policy, this Authority does not find it appropriate to prescribe proposed productivity norms wherever it is lower than the actual average productivity achieved by the port for the period from November 2016 to March 2017 and the year 2017-18 furnished by the port. At the same time, since the penal berth hire claimed by the port based on productivity norms approved by this Authority in the Order dated 29 March 2017 has been stayed by the Hon'ble High Court, this Authority would not be in a position to approve productivity norms higher than that approved in the said Order of March 2017. In view of the above position, this Authority approves the revised productivity norms for VOCPT at higher of cargo wise productivity level achieved by the port for the period from November 2016 to March 2017 (5 months), average productivity achieved for the year 2017-18, revised productivity proposed by VOCPT subject to not exceeding the productivity norms approved in the Order dated 29 March 2017.
- (e). As regards Naptha handled by IOC, the port has proposed revised productivity norm at 10000 T/days which is higher than that prescribed in March 2017 Order at 7500T/day. The port has not furnished the actual productivity achieved for this cargo. The port has, however, stated that the proposed productivity norm is agreed by the users. Flowing from the decision taken by this Authority not exceed the productivity norms approved in the Order dated 29 March 2017, this Authority approves the revised productivity norm for Naptha at 7500T/day as against 10,000/Tonnes per day proposed by the port.
- (f). The tariff Order of March 2017 prescribes productivity norms for Garnet Sand in bags at 8,000 MT. The port has proposed deletion of this item since there is ban on export. The proposal of the port is accepted in this regard.
- (g). The productivity norms for new cargo items like Cattle Feed, Illeminite (export), Lime Stone (Small Vessels), Marble Lumps, Phosphoric Acid (Import) are proposed to be introduced. Based on average output calculated and as agreed by users, the port has proposed productivity norms for a few new cargo items and the same has been approved by the Board of Trustees of the VOCPT. Of these four cargo items, for Cattle Feed and Illeminite (export), the proposed productivity is lower than the actual average productivity achieved by the port. Following the principle decided earlier, for these two cargo items it is prescribed at the level actually achieved by the port.
- (h). The productivity norms approved by this Authority in 29 March 2017 Order for coal category is 28000 T/day for Industrial (I) and Thermal coal (T) at berth No IX and 12000 for Industrial and Thermal coal at berth nos. III/IV. In the current proposal, the port has changed nomenclature of both these commodity as Coal (IX) at 25,000 and Coal other than IX Berth at 9,000 tonnes/ day. Further, the VOCPT has also introduced new cargo items for productivity norms namely Coal (Coal Jetty I & II) at 15,000 and Coal (North Coal Berth-I) at 25,000 as approved by the Board of Trustees of the VOCPT.

During the general revision of the SOR of the VOCPT in November 2016, it was pointed out to the VOCPT that the proposed conditions governing levy of penalty and grant of rebate linked to productivity norms have not been prescribed in the reference tariff approved for the berth no.(IX) and VOC berth nos. III & IV. The VOCPT was, therefore, specifically requested to examine whether prescription of the proposed conditions would give rise to disputes with the successful bidders of berth no.(IX) and VOC III & IV.

In this regard, the port had then clarified that there are no PPP operations in Berth No. IX, VOC III & IV, as these berths are operated by VOC Port. The port had stated that berth no.IX is given on license basis to an HMC operator. In the then clarification, the proposal of the port was to levy penal charge and grant rebate both linked to the non-achievement/ achievement of productivity norms on vessel operators. It is relevant here to state that

during the general revision all the concerned users, all the concerned BOT operators including the crane operator Imcola Crane Company Pvt. Ltd (ICCPL) were consulted on the subject proposal. None of the users, user associations or ICCPL have made any objections on the proposed conditions. That being so, and since the VOCPT after examining the matter has proposed these conditions in the SOR and the port has also stated that the proposed conditions are applicable on vessel operator, the productivity norms and penalty and rebate in berth hire charges in respect of coal vessels handled at berth nos.IX, III and IV as proposed by VOCPT were approved as proposed by VOCPT. The same approach was followed in the 2017 amendment Order.

In the current proposal, the port has replaced the nomenclature of "I coal and T Coal III/IV berth" with "Coal other than IX berth". This means that the revised proposed productivity norm will apply for all berths other than coal berth no.IX in place of existing arrangement of application of the prescribed norms for coal handled at berth nos.III/IV.

It is relevant here to state that this Authority has, based on the proposal of the VOCPT, approved reference tariff for coal handling at North Cargo Berth (NCB) I vide Order No.TAMP/29/2014-VOCPT dated 15 January 2016, for NCB- III vide Order No.TAMP/37/2016-VOCPT dated 2 September 2016 and upfront tariff for a coal handling is approved for NCB-II vide Order No.TAMP/27/2009-VOCPT dated 23 February 2010. Of these three projects, NCB- II is awarded to Tuticorin Coal terminal Private Ltd and SOR in their name has already been notified. For NCB- I also, upfront tariff was approved based on proposal of VOCPT for NLC Tamilnadu Power Ltd. (NTPL) under upfront tariff guidelines of 2008.

The BOT operators awarded with these projects or to be awarded with these berths by the VOCPT shall be governed by the upfront/ reference tariff approved by this Authority in their respective cases subject to annual indexation in the tariff at 60% of the WPI. The BOT operators cannot levy tariff anything beyond the upfront/ reference tariff approved by this Authority. For the BOT operators governed under the Reference Tariff guidelines of 2013, performance standards are notified and tariff hike upto 15% is allowed for achievement of the notified performance standards.

The current proposal of the VOCPT envisages the port to collect the penalty/ pay incentive from the stevedores unlike the earlier arrangement where the port proposed to collect it from the Steamer Agents. The services at the BOT berths are to be rendered by the BOT operators who are governed by the handling norms considered in fixation of upfront tariff of their respective berths, and that the upfront/ reference tariff is a ceiling rate. In view of the above position, it remains unexplained as to how the port can apply the penalty or grant rebate to Stevedores across all coal berths (other than berth no.IV) which will include the services at the berths NCB- I, II and III rendered by the BOT operators. In view of this ambiguity in the proposal of the port, the nomenclature of "Coal other than IX berth" is modified and prescribed as "Coal berths operated by the VOCPT other than berth No IX, Coal Jetty I and II for which separate norms are prescribed". For the same reasons explained above, this Authority is not in a position to approve productivity norms separately proposed by the port for NCB I at 25000 Tonnes as the said berth is given by the VOCPT to NTPL for which this Authority has approved tariff following the upfront tariff guidelines of 2008 vide Order No.TAMP/29/2014-VOCPT dated 15 January 2016 and the approved rate is subject to annual indexation at 60% of WPI. The concerned operator will be governed by the productivity level prescribed in the said relevant Order.

- (i). The TANGEDCO has requested to maintain the productivity at present level of 11,250 Tonnes per day as against 15000 T/day proposed by the port for Coal Jetty I & II. One of the main reasons cited by the TANGEDCO is that the vessels chartered by them have 12 CBM-14 CBM grabs which can carry cargo weight of 12 MT to 14 MT. If the grab capacity is increased to 16

CBM, then TANGEDCO will have to charter higher CBM vessel which would not be economical.

The port has viewed that vessels having grab capacity of 12 MT to 14 MT hired by TANGEDCO will be in a position to achieve an average output of above 15,000 MT per day (12 MT/hook * 20 cycles/ hour*7 hours * 4 no. of cranes = 20,160 MT). The existing grab size of 12 to 14 CBM is found to be ideally suited for achieving the output of 15000 MT per day, and port has viewed that TANGEDCO may not be required to upgrade the vessels for the present type of operations. Even TANGEDCO has confirmed that vessels presently chartered for Tuticorin are already performing reasonably with an average discharge rate of around 15000 MT per day. Thus, this point made by TANGEDCO gets addressed.

- (j). As regards the another point made by TANGEDCO that average discharge rate of 15000 MT per day may not be achieved if there are cargo related problems such as wet coal, presence of boulders etc., conveyor side problems, stevedore problems or berthing problem attributable to the port side, the port has clarified that TANGEDCO may report the same to the Port for taking into consideration suitable action to reduce the stoppage time, if any, to reduce the penalty. But, other issues like Stevedore problems or berthing problems should not come in the way of productivity. Thus, this point made by TANGEDCO is also adequately addressed by the port.

In view of the above, the productivity norms proposed as new entry for coal jetty I and II is approved as these two jetties are operated by the VOCPT.

- (k). Based on the above analysis, the productivity norms proposed to be approved is brought out in column 9 of the statement attached as Annex - I.

- (v). The existing SOR approved by this Authority vide Order dated 29 March 2017 under Schedule 2.4.2 Schedule for Berth Hire Charges for other vessel under Note (4) prescribes the penalty/ incentives as per Clause 8.2 of the Berthing Policy for Dry Bulk Cargo for Major Port, 2016 i.e. in case where actual berth stay is more than 5% higher than the stipulated time for that commodity as per the prescribed productivity norms. In cases where actual berth stay is more than 5% lower than the stipulated time for that commodity the prescribed productivity norms, number of additional hours saved will be incentivized at 1 x berth hire.

As against the above position, the port has proposed the penalty and incentive at fixed amount i.e. ₹500/- per hour for every additional hour for berth stay more than 5% beyond the stipulated time for that commodity as specified in productivity norms and incentive at ₹50/- per hour for berth stay lower than 5% beyond the stipulated time for that commodity as specified in productivity norms.

When sought to justify the proposed deviation, the port has cited clause 8.6. of the Berthing Policy which stipulates that in the exceptional case if that the Chairmen and Board of a Major Port Trust feel that introduction of the penalty/ incentive structure will adversely affect ability of the port to retain business, then the port can be given a temporary relaxation from the penalty/ incentive structure. Ports are expected to create a clear argument of the rationale for norms relaxation covering the three points viz. (a) Illustrating the potential impact of suggested incentive structure vis-à-vis recommended structure on ₹/MT for end customer, (b). Demonstrating expected effect on competitiveness of the major port vis-à-vis private competitors for suggested penalty/ incentive structure over recommended structure. (c). Highlighting the specific steps to be taken by port to ensure roll-out of incentives / penalties within 6 months

Drawing reference to the said provision in the Berthing policy, the port has stated that the cargo throughput of VOCPT is declining due to increased cost and competition from nearby ports. To retain the cargo base and to improve the throughput, the port feels it is imperative that the performance norms, penalty and rebate are reasonable. The revised rate of penalty is lower than the penalty/ incentive prescribed in the existing SOR (as per the Berthing Policy) approved by this Authority in the Order dated 29 March 2017. However, the revised rate of penalty may be competitive. In view of the above justification furnished by the VOCPT and in view of clause 8.6. of the Berthing Policy, this Authority approves the modified penalty and incentive rates proposed by the port. It is noteworthy that this Authority

has approved incentive/ penalty in absolute terms at Paradip Port Trust (PPT) vide Tariff Order dated 3 October 2018 instead of linkage to berth hire charges.

- (vi). The port has proposed a note to state that penalty shall be levied on Stevedores, and the amount can be claimed by the Stevedores from the cargo interests (Importer/ Exporter) or vessel owners through their agents, depending on the reasons thereof. Same way, incentive will be paid by port to Stevedores. In the case of liquid cargo, the penal berth hire charges/ incentive will be levied on the importer/ exporter. Citing that Steamer agents do not have role on discharge of cargo, the VOCPT has proposed this modified note and already implemented by the port from 1 April 2018. The proposed note is approved as it is already agreed by the Stevedores who were part of the Joint Committee constituted by the port to review the productivity norms and the existing penalty and incentives.

As regards the penalty/ incentive accrued for the past period i.e. from the date of initial implementation from 9 November 2016 upto 31.01.2018 payable by Ship Agents/ Port as the case may be, the port has stated that it will be implemented as per the outcome of the Writ Petition (WP (MD) No.6366 of 2017 which is pending before Hon'ble High Court of Madras (Madurai Bench).

- (vii). The VOCPT has implemented the revised proposed productivity norms with effect from 1 April 2018 based on the approval of its Board of Trustees and issued Trade Circular dated 29 March 2018. The VOCPT has filed the proposal dated 26 June 2018 and has sought the approval of this Authority to ratify the action of the port of having implementing the revised proposed rate with retrospective effect from 01 April 2018. In this regard, it was explicitly brought to the notice of the port to take note that the implementation of revised proposed rates by the VOCPT w.e.f. 1 April 2018 does not have the approval of this Authority. Ordinarily the rates approved by this Authority have prospective effect after expiry of 30 days from the date of notification of the Order in the Gazette of India. In the instant case, it is not a corrigendum to rectify any error. The proposal is for revised productivity norm as well as revision in the penalty and incentive rate. Giving retrospective operation to tariff Order will create (avoidable) complications besides causing an accounting chaos. There are no very special circumstances warranting deviation. This Authority approves the revised productivity norms and revised penalty and incentive prospectively after expiry of 30 days from the date of notification of the Order in the Gazette in line with the approval generally accorded by this Authority.

- (viii). **If there is any error apparent on the face of records considered or for any other justifiable reasons, the VOCPT may approach this Authority for review of the amendments to the Note no 4 under Schedule 2.4.2 Schedule of Berth Hire Charges for Other Vessels, prior to implementation of amendment approved hereby giving adequate justification/ reasoning within 30 days from the date of notification of the Order in the Gazette of India.**

11.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority approves the amendments to the note no.4 under Schedule 2.4.2 (Berth Hire Charges for Other vessels) in the amendment to the existing Scale of Rates of VOCPT approved by this Authority vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017 which is attached as **Annex - II.**

11.2. The amendments approved to the SOR will come into effect after expiry of 30 days from the date of notification of these amendments in the Gazette of India. The validity of the amendments is co-terminus with the validity of the existing SOR of the VOCPT i.e. till 31 March 2019.

11.3. The VOCPT is directed to amend the existing Scale of Rates accordingly.

(T.S. Balasubramanian)
Member (Finance)

Consolidated statement furnishing the cargo wise productivity norms as approved in the Order dated 17 September 2016 and 29 March 2017 , actual productivity achieved by the

Sl. No.	Commodity	Productivity Norms as approved vide Order No. TAMP/29/2016- VOCPT dated 17.09.2016 as proposed by VOCPT	Amended Productivity Norms vide Order dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017 (5 months)	Average Output for April 2017 - March 2018 (1 Year)	Revised norms proposed by VOCPT vide letter dated 26.06.2018	Remarks / Justifications given by VOCPT vide email dated 5 November 2018 for the amendment proposed in output norms	Revised Norms approved by the Authority, Highest of Column Nos.5, 6, 7 subject to not exceeding Column No.4
		(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)		
1	2	3	4	5	6	7	8	9
A	DRY BULK CARGO							
1	Coal - IX Berth	18,000	28,000	26,875	31,583	25,000	Output norms suggested by Joint Committee is proposed.	26875
2	Coal - Other berths		12,000	10,137	11,589	9,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed	11589
3	Garnet Sand (Bulk)	6,000	12,000	-	-	6,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	6000
4	Gypsum In Bulk	9,000	12,000	-	19,606	10,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	10000
5	Ilmenite	8,000	15,600	13,736	-	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	13736
6	Iron Ore	9,750	13,000	-	-	13,000	Norms reviewed as per Berthing Policy; Existing Norms agreed by Port users	13000
7	Lime Stones	7,500	10,000	16,667	19,931	10,000	Norms reviewed as per Berthing Policy; Existing Norms agreed by Port users	10000
8	Rock Phosphate	7,500	10,000	8,844	9,799	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	9799
9	Petroleum Coke	7,500	10,000	9,609	8,847	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	9609
10	Copper Concentrate	6,750	9,000	6,956	6,437	7,000	Norms reviewed as per Berthing Policy; Average of 5 months output (7,000 MT) is proposed as Output norms; Agreed by Port users.	7000
11	Potassium Sulphate (Mop,Sop)	6,750	9,000	10,210	8,736	9,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	9000
12	Sulphur	6,000	8,000	10,947	7,942	8,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	8000
13	Sugar(Raw)	5,250	7,000	-	4,992	7,000	Norms reviewed as per Berthing Policy; Existing Norms of 7000 MT agreed by Port users	7000
14	Salt In Bulk	5,250	7,000	-	8,331	7,000	Norms reviewed as per Berthing Policy; Existing Norms of 7000 MT agreed by Port users	7000
15	Clinkers	5,250	7,000	10,135	11,474	7,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	7000
16	Wheat in Bulk	4,875	6,500	5,159	6,300	4,000	Rate of Discharge depends on the storage space availability; Less Warehousing facility at Port. Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	6300

Sl. No.	Commodity	Productivity Norms as approved vide Order No. TAMP/29/2016- VOCPT dated 17.09.2016 as proposed by VOCPT	Amended Productivity Norms vide Order dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017 (5 months)	Average Output for April 2017 - March 2018 (1 Year)	Revised norms proposed by VOCPT vide letter dated 26.06.2018	Remarks / Justifications given by VOCPT vide email dated 5 November 2018 for the amendment proposed in output norms	Revised Norms approved by the Authority, Highest of Column Nos.5, 6, 7 subject to not exceeding Column No.4
		(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)		
1	2	3	4	5	6	7	8	9
17	Diammonium Phosphate		6,000	-	-	6,000	Norms reviewed as per Berthing Policy; Existing Norms of 6000 MT agreed by Port users	6000
18	Peas (Yellow)	5,250	7,000	3,889	3,257	4,000	Norms reviewed as per Berthing Policy; Average of 5 months output (4000 MT) was proposed as Output norms; Agreed by Port users.	4000
19	Urea	4,500	6,000	-	4,902	6,000	Norms reviewed as per Berthing Policy; Existing Norms of 6000 MT agreed by Port users	6000
20	Maize (Bulk)	3,000	4,000	-	-	4,000	Norms reviewed as per Berthing Policy; Existing Norms of 4000 MT agreed by Port users	4000
21	Stone(Rough)	3,900	5,200	1,323	1,363	1,320	Norms reviewed as per Berthing Policy; Average of 5 months output (1320 MT) is proposed as Output norms; Agreed by Port users.	1363
22	Stone Dust	2,475	3,300	2,216	1,922	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	2216
23	Stone Aggregate	2,400	3,200	2,078	2,385	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	2385
24	Oil Cake / Copra	1,875	2,500	2,508	2,579	2,500	Norms reviewed as per Berthing Policy; Average of 5 months output (2500 MT) is proposed as Output norms; Agreed by Port users.	2500
25	Cattle Feed		-	5,425	6,136	4,000	New category; Norms reviewed as per Berthing Policy; Output Norms Suggested by Port Users is proposed.	6136
26	Ilmenite (Import)		-	-	6,969	6,000	New category; Norms reviewed as per Berthing Policy; Output Norms Suggested by Port Users is proposed.	6969
27	Lime Stone (Small Vessels)		-	-	-	3,000	New category; Output Norms Suggested by Port Users.	3000
28	Marble Lumps		-	-	-	3,000	New category; Output Norms Suggested by Port Users.	3000
B.	DRY BULK CARGO - COAL							
1	Coal (Coal Jetty I & II)	11,250	-	12,823	13,671	15,000	Output norms suggested by Joint Committee is proposed.	15000
2	Coal (NCB-1)	18,750	-	22,340	23,330	25,000	Output norms suggested by Joint Committee is proposed.	Not prescribed. Captive berth operated by NLC Tamilnadu Power Ltd.
C.	LIQUID CARGO							
1	Furnace Oil – IOC	7,500	10,000	4,821	5,949	6,800	While reviewing the norms as per Berthing Policy the Output Norm of 6800 MT proposed by Port was accepted by the users. (5 months average output for Nov. 2016-March 2017 given as 10,591 MT in the earlier reply is required to corrected as 4,821 MT)	6800
2	Naptha – IOC	7,500	7,500	-	-	10,000	Norms reviewed as per Berthing Policy; Norms of 10000 MT agreed by Port users	7500

Sl. No.	Commodity	Productivity Norms as approved vide Order No. TAMP/29/2016- VOCPT dated 17.09.2016 as proposed by VOCPT	Amended Productivity Norms vide Order dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017 (5 months)	Average Output for April 2017 - March 2018 (1 Year)	Revised norms proposed by VOCPT vide letter dated 26.06.2018	Remarks / Justifications given by VOCPT vide email dated 5 November 2018 for the amendment proposed in output norms	Revised Norms approved by the Authority, Highest of Column Nos.5, 6, 7 subject to not exceeding Column No.4
		(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)		
1	2	3	4	5	6	7	8	9
3	Naptha – SPIC	3,000	3,500	3,004	4,643	2,800	While reviewing the norms as per Berthing Policy the Output Norm of 2800 MT suggested by the users was accepted by the Port.	3004
4	Diesel Oil – Jetty / Berth	6,000	8,000 / 3,500	-	5561	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	5561
5	LPG	5,000	5,000	4,015	4,102	3,600	While reviewing the norms as per Berthing Policy the Output Norm of 3600 MT suggested by the users was accepted by the Port.	4102
6	Liquid Ammonia	3,750	5,000	7,860	7,739	5,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	5000
7	Caustic Soda Lye	3,750	5,000	4,093	3,985	3,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	4093
8	Palm Oil	3,000	4,000	3,602	3,740	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	3740
9	Sulphuric Acid	3,000	4,000	3,143	2,237	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	3143
10	Phosphoric Acid (Export)	2625 (Phosphoric Acid)	3,500	2,172	2,304	2,200	Norms reviewed as per Berthing Policy; Average of 5 months output (2,200 MT) is proposed as Output norms; Agreed by Port users.	2304
11	Furnace Oil – Spic	2,250	3,000	3,357	3,482	3,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	3000
12	VCM	2,250	3,000	2,611	2,982	1,600	While reviewing the norms as per Berthing Policy the Output Norm of 1600 MT suggested by the users was accepted by the Port.	2982
13	Phosphoric Acid (Import)			7,948	7,680	4,800	New category; Norms reviewed as per Berthing Policy; Output Norms Suggested by Port Users is proposed	7948
D.	BREAK BULK CARGO							
1	Cement in Bags	1,500	2,000	1,483	1,289	1,500	Norms reviewed as per Berthing Policy; Average of 5 months output (1,500 MT) is proposed as Output norms; Agreed by Port users.	1500
2	Iron and Steel Materials	3,600	4,800	1,846	2,715	1,500	Norms reviewed as per Berthing Policy; Norms suggested by Port Users is proposed.	2715
3	Logs	3,450	4,600	3,611	3,570	3,000	Norms reviewed as per Berthing Policy; Norms suggested by Port Users is proposed.	3611

Sl. No.	Commodity	Productivity Norms as approved vide Order No. TAMP/29/2016- VOCPT dated 17.09.2016 as proposed by VOCPT	Amended Productivity Norms vide Order dated 29.03.2017 as proposed by VOCPT	Average Output for November 2016 - March 2017 (5 months)	Average Output for April 2017 - March 2018 (1 Year)	Revised norms proposed by VOCPT vide letter dated 26.06.2018	Remarks / Justifications given by VOCPT vide email dated 5 November 2018 for the amendment proposed in output norms	Revised Norms approved by the Authority, Highest of Column Nos.5, 6, 7 subject to not exceeding Column No.4
		(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)	(Tonnes per Day)		
1	2	3	4	5	6	7	8	9
4	Salt in Bags	1,875	2,500	-	-	2,500	Norms reviewed as per Berthing Policy; Existing Norms of 2500 MT agreed by Port users.	2500
5	Sugar in Bags	1,875	2,500	-	-	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	1500
6	General Cargo	1,875	2,500	-	790	1,500	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	1500
7	Granite	1,500	2,000	3,017	2,813	2,000	Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	2000
8	Cashew Nuts in Bags	1,125	1,500	779	1,227	800	Labour intensive; Discharged in Gunny Bags of capacity 50 kg; more spillages; sweeping of cargo takes more time. Norms reviewed as per Berthing Policy; Average of 5 months output (800 MT) is proposed as Output norms; Agreed by Port users.	1227
9	Machinaries	900	1,200	631	456	200	Handling of Wind Mill Blades requires more Safety; Pre commencement and Post completion works like Lashing/ Unlashing and Welding/ un-welding are time consumptive in nature; Norms reviewed as per Berthing Policy; Output norms suggested by Port Users is proposed.	631
10	Garnet Sand in Bags		8,000	-	-	-	Ban on Export	NA

Annex- II

AMENDMENT TO NOTE NO.4 UNDER SCHEDULE 2.4.2. SCHEDULE OF BERTH HIRE CHARGES FOR OTHER VESSELS PRESCRIBED BY THE ORDER NO.TAMP/82/2016-VOCPT DATED 29 MARCH 2017, NOTIFIED IN THE GAZETTE OF INDIA EXTRAORDINARY (PART III SECTION 4) ON 18 MAY 2017 VIDE GAZETTE NO.207.

The existing note no. 4 under schedule 2.4.2. Schedule of berth hire charges for other vessels – note (4) is replaced with the following schedule:

Sl. No.	To be read as follows																																																																																																																																																							
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	6	General Cargo	1500
	7	Granite	2000
	8	Cashew Nuts in Bags	1227
	9	Machinaries	631
	The penalty/ incentive for performance is as given hereunder:		
	Sr. No.	Situation	Penalty / Incentive
	1	If the ship stays upto 5% (higher or lower) of the stipulated time for that commodity as specified in productivity norms.	Nil
	2	Berth stay is more than 5% beyond the stipulated time for that commodity as specified in productivity norms.	Penalty at ₹500/- per hour or part thereof for every additional hour.
	3	Berth stay is 5% lower than the stipulated time for that commodity as specified in productivity norms.	Incentive at ₹50/- per hour or part thereof for every hour of saving in berth time beyond 5%
	Note: (i).The penalty provisions will be levied on Stevedores, with the provision that the amount can be claimed by the Stevedores from the cargo interests (Importer/ Exporter) or vessel owners through their agents, depending on the reasons thereof. Same way, incentive will be paid to Stevedores. In the case of liquid cargo, the penal berth hire charges / incentive will be levied on the importer/ exporter. (ii). While calculating the performance of the vessel, factors beyond the control of the cargo handler like cyclone, heavy rain, labour unrest, etc. will be treated as “dies-non”.		

”

SUMMARY OF THE COMMENTS RECEIVED FROM THE PORT USERS / ORGANISATION BODIES AND ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING BEFORE THE AUTHORITY

F. No.TAMP/53/2018 - VOCPT - Proposal from the V.O. Chidambaranar Port Trust for amendments to its existing Scale of Rates approved vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017 relating to Schedule 2.4.2 of Berth Hire Charges for Other Vessels – Note (4).

A summary of comments received from Tuticorin Thermal Power Station (TTPS) and reply furnished by V.O. Chidambaranar Port Trust (VOCPT) are summarized below:

Sl. No.	Comments received from Tuticorin Thermal Power Station (TTPS)	Reply furnished by VOCPT
(i).	The output norms of 15000 MT per day as revised by VOCPT cannot be achieved and not realistic because of the following reasons.	
(ii).	The Traffic Manager, VOCPT has communicated for revising norms as 11,400MT/day based on the statement of actual discharge at Coal Jetty I & II for 5 months period from 9 November 2016 to 31 March 2017 for which a reply furnished to the Traffic Manager, VOCPT is furnished. [In the said letter the TTPS has stated that the revised discharge norms fixed for CJ I & II vide letter of VOPCT dated 12 July 2017 is 11,400 MT, but VOCPT has vide letter dated 3 Feb 2017 mentioned output norms for coal handed at Coal jetty is 15,000 tonne per day. As the dredging in CJ II is not fully completed, vessels could not be berthed alongside the berth. Hence, for nearly 12 Hours, crane no.1 could not reach the hopper.] Hence, this revised per day discharge norm may please fixed at 10,500 MT per day due to the above said issue please. After this period there is no infrastructure improvement in CJ I & II. Hence increasing the output norms to 15,000 MT per day is not achievable. This output norms can be thought of only after upgradation of Coal Jetty-I & II.	Post the Traffic Manager's letter dated 12 July 2017, on taking up the issue again with M/s. TANGEDCO, M/s. TANGEDCO vide its letter No. CE/M/Coal/E4/A1/F.Chartering /D.164/2018 dated 20 August 2018 (Annexure-1) referring to port letter No.TRA-OFTBL-PER-COAL-V1-16 (43504)/D.1726 dated 09 August 2018 (Annexure-II) had confirmed to explore the feasibility of chartering supramax geared vessels for Tuticorin sector with higher grab capacity to increase discharge rate of the vessels and to avoid payment of penalty on account of poor discharge of vessels i.e. through additional berth hire charges after getting approval from the Technical Evaluation Committee.
(iii).	At Coal Jetty- II there is a concrete block in the mid berth area due to which vessels could not be berthed alongside the Jetty.	After several attempts of lifting the material in the past, port has engaged M/s. Dredging Corporation of India (DCI) to clear the materials lying in Coal Jetty II to ensure declared depth. Work expected to complete before 1 st week of November, 2018.
(v).	At present Coal Jetty- II is operated with ship cranes, by which the 15,000 MT per day discharge norms could not be achieved. Due to the above said reasons the revised norms of 15,000 MT per Day could not be achieved and it is requested to maintain the existing approved TAMP output norms of 11,250 MT per day.	The average output achieved during the current year in Coal Jetty II is 14,843 MT/day. Hence, Chartering of vessels with higher CBM grab will automatically increase productivity. Regarding chartering of higher capacity crane vessels, TANGEDCO has already taken up the matter with M/s. Poompuhar Shipping Corporation Ltd. vide their letter dated 20 August 2018.

(vi).	The schedule 2.4.2 of berth hire charges for other vessels – note (4) as in the TAMP Order No.29/2016-VOCPT, passed on 17 September 2016 for which VOCPT has filed a proposal for amendment to its existing SOR is not applicable for Coal Jetty I & II, since they are coming under schedule 2.4.1.	The provision for collection of penalty/ payment of incentive is available under the Schedule 2.4 of the SOR as Note (4) in the TAMP Order No.29/2016-VOCPT, passed on 17 September 2016 and hence, VOC Port Trust has filed a proposal for amendment to the same in the existing SOR which is applicable to all berths including Coal Jetty-I & II.
(vii).	The above points may be considered during the revision of TAMP orders and the existing discharge norms of 11,250 MT per day in respect of Coal Jetty- I & II of TTPS may please be maintained.	--

2. A joint hearing in this case was held on 30 August 2018 at the VOCPT premises. The VOCPT made a brief Power Point presentation of its proposal. At the joint hearing, the VOCPT and the concerned users / user organizations have made the following submissions:

V.O. Chidambaranar Port Trust (VOCPT)

- (i). In 2014-15 based on M/s.Boston Consultancy Group (BCG) recommendation, the VOCPT had worked out productivity norms based on 3 years performance. In June 2016, the MOS issued Berthing Policy, 2016 which prescribed methodology and norms for arriving at productivity standards and also prescribed the penalty and incentive scheme
- (ii). The VOCPT had in the year 2014-15 derived the productivity from the actuals tonnage handled in the last three years after taking into the account the existing infrastructure facilities available in the Port. During the discussion with the representatives of the Ship Agent's Association who handled the cargoes, it requested the port to revisit the norms stating that the newly revised norms are very high which may not be achieved by them.
- (iii). Considering the Port users request, output norms for penalty/ incentive were fixed by VOCPT taking 75% of the 3 years average output and sent to TAMP for approval. As regards penalty and incentive scheme, Berthing Policy of 2016, was followed by VOCPT.
- (iv). TAMP notified the output norms along with penalty/ incentive for implementation in September 2016.
- (v). Subsequently, the output norms were revised to 100% of berth day output based on the Berthing Policy for Dry Bulk cargo for Major Ports and port approached TAMP for issuing an amendment.
- (vi). The 100% output norms were incorporated in the SOR by TAMP vide amendment Order dated 29 March 2017. The amendment Order was given effect from the date of implementation of the revised SOR i.e. from 9 November 2016.
- (vii). When we raised claim from 9 November 2016, Tuticorin Ship Agents' Association represented to MOS. They have also filed writ petition in the Hon'ble High Court of Madurai.
- (viii). MOS advised IPA to study the issue and advice on the matter.
- (ix). IPA advised us to revisit the norms. As recommended by IPA, meeting with Steamer/ Stevedore Agents was held on 18 September 2017 in which Chairman, VOCPT constituted a Committee to finalize productivity norms and rate for penal berth hire charges.

- (x). The Committee took into account the productivity achieved in the year 2017-18 for the five months vessels and proposed norms which are achievable.
- (xi). We verified productivity norms at other Major Ports. At other Ports also they have not gone by Berthing Policy, 2016. Board has taken cognizance of this. The Board of VOCPT has approved the proposal.
- (xii). We have revised the productivity norms and already implemented the revised productivity norms from 1 April 2018.
- (xiii). Earlier, the users were adversely affected. Hence, they went to Court. Now, we have revisited the norms afresh and implemented it from 1 April 2018.

Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO)

- (i). We are handling thermal coal. We are major user of the Port.
- (ii). Coal jetty I & II are captive. Coal jetty I is under upgradation and not operational. Coal jetty II is operational. At Coal Jetty II, draft is not uniform. The revised output norms of 15000 MT per day, therefore, cannot be achieved. This will lead to penal berth hire for us.
- (iii). Presently vessels chartered by us are having 12 CBM - 14 CBM grabs. As per our tender minimum grab is 10 CBM. If productivity is increased, CBM of vessel will have to be increased. Huge expenditure will have to be incurred. 16 CBM grabs are not available in market to handle our cargo. Vessel owners cannot change the grab CBM now.
- (iv). We request to maintain existing norms of 11,250 tonnes per day.
- (v). When Port increases the draft, then the productivity norms can be increased.
- (vi). Presently, with 12 CBM -14CBM vessels are able to achieve on 15,000 T/ day. This may not be possible throughout the year due to rains, wet coal, presence of boulders, stevedoring problem, etc. But average has been more than 10,000 T/ day.
- (vii). In normal scenario 15000T is achievable. It is not achievable during 6 months rainy season
- (viii). We can handle 11,250 T/ day.

Tuticorin Thermal Power Station (TTPS)

- (i). Coal handled at the port is very slushy.
- (ii). We are not able to handle the coal alongside the berth. We are not able to use both HMCs. Further, for every crane, 1 hour break is taken. This is to be considered.
- (iii). We request to retain existing norm of 11,250 T/ day for coal jetty II.

SICAL

- (i). We handle at Coal Jetty II.
- (ii). Remote grab is not able to achieve 15,000 T for coal.
- (iii). Reconsider the proposed output norms.

Tuticorin Stevedores Association (TSA)

- (i). We handle at mechanised berth. Productivity is 23,000 T/ day.

- (ii). We are responsible from commencement of handling of cargo till completion of operation. Hence time taken from berthing to sailing should not be considered.
[VOCPT, T.M.: Ship day productivity will be calculated from time of berthing till sailing. That is standard given by MOS. We cannot change that. For customs documentation and services it is possible to complete the task in 1 hour.]

Darangdara Chemicals Works (DCW)

- (i). The proposed productivity norm of 1600 T/ day is achievable.
[VOCPT, TM:All what we have proposed is 80% achievable.]

V.O. Chidambaranar Port Trust (VOCPT)

[Dy. Chairman]

- (i). As regards various points made by TANGEDCO, on issue of draft, we have already placed an order with DCI to increase the draft. It is not a major work. Work is likely to be completed by September 2018. Only some small patch work is there. Work will be carried out without disturbing the operations.
- (ii). On Dredging issue, port will facilitate trade.
- (iii). Users have to bring better vessels which can achieve the proposed productivity. Crane and grab should be good one. 14 CBM is sufficient to provide the proposed productivity. 15,000 T/ day can be achieved with 14 CBM.
- (iv). MOS has envisaged improvement in productivity. We have to improve the productivity. The revised proposed productivity is really achievable. Port is answerable to MOS.
- (v). Committee was constituted. Users were consulted including TANGEDCO. The proposed productivity and incentive and Penalty are proposed based on consensus with trade.
- (vi). The revised productivity norms and proposed penalty and incentive are already implemented by the port and hence TAMP is requested to approve and regularize the same.
- (vii). If the proposed Performance Standards is not achieved, we cannot get annual indexation in tariff. So trade to co-operate to appreciate and achieve the proposed productivity.

TANGEDCO

- (i). Vessel cranes are not working.
[Dy. Chairman requests the CMD of Poompuhar Shipping Corporation Limited, who was present at the joint hearing to book good vessels.]

Darangdara Chemicals Works (DCW)

- (i). For Ilmenite, earlier it was 8,000 T/ day then port revised to 15,000 T/ day and then reduced to 8,000 T/ day. This is for export. For import, it is now proposed to 6,000 T/ day. This is based on consultation with trade as well.

3. A summary of the written submissions made by TANGEDCO at the joint hearing and the reply furnished by VOCPT thereon is tabulated below:

Sr. No.	Written submission made by M/s. TANGEDCO	Reply from VOCPT
1.	The Tariff Authority for Major Ports in India vide email cited (3) above has requested TANGEDCO to attend the Joint Hearing on 30.08.2018 regarding the proposal from the V.O. Chidambaranar Port Trust for	

	amendments to its existing Scale of Rates approved vide Order No.TAMP/82/2016-VOCPT dated 29 March 2017 relating to Schedule 2.4.2 of Berth Hire Charges for Other Vessels under Note (4). TANGEDCO's comments on the proposal are as follows: The output norms of 15000 MT per day for Coal Jetty I & II under Dry Bulk Cargo as proposed under Notes (4) of Schedule 2.4.1. & 2.4.2. is not acceptable by TANGEDCO due to the following reasons.	
	(i). The Coal Jetty I & II are captive jetties dedicated for TANGEDCO.	Coal Jetty I & II were captive jetties dedicated to TANGEDCO and Coal Jetty is now being upgraded for improving the productivity by making available 2 shore unloaders each with capacity of 2000 tonnes per hour. However, Turn around Time (TRT) of 2.5 days will apply to all berths including the captive jetties. The TRT of TANGEDCO vessels also have impact on average TRT of the port. Hence, performance analysis for TANGEDCO vessels cannot be ignored and the productivity norm of 15,000 MT is to be achieved by the vessels.
	(ii). The revision of output norm to 15000 MT per day may lead to penalty of additional berth hire for TANGEDCO, in case of berthing and unloading problems at the Coal Jetties.	Productivity norm of 15,000 MT per day is achievable with 4 cranes on board provided the ship cranes are working to its fullest capacity without breakdown.
	(iii). The existing norm for Coal Jetty I & II is 11250 MT/ day. The VOCPT has not carried out significant infrastructure improvements in both the Coal Jetties. Presently, Coal Jetty-I is under upgradation work. Coal Jetty-2 is only under operation and has not undergone any improvement works.	The existing norm is revised as 15,000 MT per day based on Board Resolution.
2.	The Concrete boulders in the Coal Jetty -2 have to be dredged off by the Port Trust since it causes some difficulty and delay in berthing the vessels alongside the berth.	For removing the unidentified materials from Coal Jetty II, dredging through DCI dredger has been commissioned to ensure declared depth and complete alongside of vessel. Work is expected to complete before 1st week of November, 2018.
3.	The VOCPT vide letter dated 09.08.2018 addressed to CE/TTPS has stated that the norms of 15000MT/day coal vessels berthing at Coal Jetty I & II is achievable, provided TANGEDCO deployed suitable vessels with grab size of 16 CBM and if TANGEDCO chartered better performing vessels. In this connection based on the information received from charterers M/s. PSC Ltd., the present vessels have cranes with SWL 30MT with hook mode and SWL 24 MT in grab mode. As per the tender, the minimum grab capacity is 10 CBM with tare weight about 10 MT. The vessels chartered have 12 CBM-14 CBM grabs which can carry cargo weight of 12 MT to 14 MT, which is within the limits of grab mode SWL of 24 MT. If the grab capacity is increased to 16 CBM, then the cargo weight	With the vessels chartered by M/s.TANGEDCO having grab capacity of 12 MT to 14 MT, TANGEDCO will be in a position to achieve an average output of above 15,000 MT per day (12 MT/hook * 20 cycles / hour*7 hours * 4 no. of cranes = 20,160 MT). Hence, TANGEDCO should try to achieve the average output of 15000 MT per day.

	will reduce for the same SWL. To charter higher SWL vessels i.e. 35.-40 MT, the charter hire rates would be much higher and not economical to TANGEDCO. The vessels presently chartered for Tuticorin are already performing reasonably with an average discharge rate of around 15000 MT per day.	
4.	Higher capacity Electro-Hydraulic grabs will consume more bunkers in working condition at the ports.	This does not come under the purview of the port.
5.	The existing grab sizes of 12 to 14 CBM of vessels presently under PSC charter is ideally suited and more than sufficient to handle the coal as per the requirement of TANGEDCO from the load ports to the discharge port.	If the existing grab size of 12 to 14 CBM is found to be ideally suited for achieving the output of 15000 MT per day, TANGEDCO may not be required to upgrade the vessels for the present type of operations.
6.	Although the vessels are performing vessels, in some situations the Average discharge rate of 15000 MT per day may not be achieved if there are cargo related problems such as wet coal, presence of boulders etc., conveyor side problems, stevedore problems or berthing problem attributable to the port side. This may lead to penalty for TANGEDCO in the form additional berth hire charges, if norms are increased from 11250 MT to 15000 MT per day.	In case of wet coal, presence of boulders, etc. affecting the normal operation, TANGEDCO may report the same to the Port for taking into consideration and suitable action to reduce the stoppage time, if any, to reduce the penalty. But, other issues like Stevedore problems or berthing problems should not come in the way of productivity.
7.	In view of above and Coal Jetty I & II being captive Coal Jetties dedicated to TANGEDCO and TANGEDCO being a long standing major user of VOC port, it is requested to maintain the existing discharge norms of 11250 MT per day in respect of Coal Jetty – I & II.	--

4. Apart from above, the TANGEDCO has made request to the Poompuhar Shipping Corporation to explore the feasibility of deploying 16 CBM Grab in the Supermax Geared vessels for Tuticorin sector to avoid payment of penalty on account of poor discharge performance of vessels and VOCPT has forwarded a copy of the request vide its e-mail dated 26 October 2018 to TAMP. The VOCPT has furnished its comments on the request of TANGEDCO. A summary of the request of TANGEDCO and reply furnished by VOCPT thereon is tabulated below:

Sr. No.	VOCPT letter dated 9 August 2018 to TANGEDCO	TANGEDCO letter dated 21 August 2018 to Poompuhar Shipping Corporation Ltd.
(i).	It is informed that the productivity norms under the categories Coal (Coal Jetty I & II) existed in the SOR approved by the Authority vide its Order No.TAMP/27/2016-VOCPT dated 17 September 2016. The norms of 15,000 MT for Coal (CJ I & II) is included in the latest proposal for amendments under the Schedule 2.4.2 of the existing SOR as approved by the Board vide Board Resolution No.6 dated 07.05.2018. Hence, penalty of additional berth hire at the specified rate is applicable to TANGEDCO. The norms of 15,000 MT/ day for coal vessels berthing at Coal Jetty I & II is achievable, provided TANGEDCO deployed suitable vessels with grab size of 16 CBM. Also, it is observed that poor performance of TTPS vessels in the past one year is mainly	The VOCPT had requested TANGEDCO to deploy higher capacity i.e. 16CBM grab vessels for transportation of coal to TTPS, Tuticorin to improve the discharge rate and to avoid payment of penalty on account of poor performance of vessels citing the norms of 15000 MT as per latest proposal for amendments under schedule 2.4.2 of existing Scale of Rates (SOR). The Poompuhar Shipping Corporation Ltd. is requested that the feasibility of deploying 16CBM Grab in the Supramax Geared vessels for Tuticorin Sector may be explored and accordingly suitable amendment may be made in the relevant charter party clauses to deploy higher capacity grab vessels for Tuticorin sector to increase discharge rate of the vessels and to avoid payment of penalty

	due to repair of vessel cranes leading to decrease in rate of discharge of cargo which in turn affects the Turn Round Time (TRT) of the vessels. Nominating high performance vessels against the present poor performing vessels is in the hands of TANGEDCO. Hence, TANGEDCO is requested to deploy higher capacity grab vessels for transportation of coal to TTPS, Tuticorin, to improve the discharge rate and to avoid payment of penalty on account of poor performance of vessels.	on account of poor discharge performance of vessels i.e. through additional berth hire charges after getting approval from the Technical Evaluation Committee.
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