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Tariff Authority for Major Ports

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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 from the Visakhapatnam Port Road Company Limited (VPRCL) for fixation of toll for newly developed link road/flyovers connecting the Visakhapatnam Port to National Highway-5 as in the Order appended hereto.

(A.L. Bongirwar)
Chairman

Tariff Authority for Major Ports
Case No. TAMP/47/2006 - VPRCL

Visakhapatnam Port Road Company Limited

- - -

Applicant

O R D E R

(Passed on this 7th day of August 2007)

This case relates to the proposal dated 8 November 2006 received from the Visakhapatnam Port Road Company Limited for fixation of toll for newly developed link road/flyovers connecting the Visakhapatnam Port to National Highway-5.

2.1. The National Highway Development Project (NHDP) Phase-I approved by the CCEA in December 2000, inter alia includes developing road connectivities to major ports. Under this programme, a port road connectivity project for developing connectivity from Visakhapatnam Port to National Highway-5 (NH-5) has been taken up by the National Highways Authority of India (NHAI). Accordingly, a Special Purpose Vehicle (SPV) namely Visakhapatnam Port Road Company Limited (VPRCL) was incorporated under the Companies Act, 1956 on 26 December 2000 as a joint venture of Visakhapatnam Port Trust and NHAI.

2.2. The Visakhapatnam Port Trust (VPT) and VPRCL signed a Concession Agreement on 8 November 2006 in order to implement the said port road connectivity project. As per the Concession Agreement, the VPRCL shall undertake design, engineering, procurement, construction, operation and maintenance of the road connectivity with sole and exclusive right to demand/collect and appropriate fee (toll) from the users of the project.

2.3. The highlights of the proposal are as follows:

- (i). The road connectivity project commenced in June 2002 and is likely to be opened to traffic from December 2006.
- (ii). The port connectivity road project comprises of flyovers, ramps, roads at ground level, etc. of about 12.5 kms.
- (iii). The VPRCL has stated that the total project cost has increased from Rs.93.8 crores as envisaged in the report prepared by IDFC to Rs.114 crores.
- (iv). The development of this project was envisaged with an objective to provide direct access for quick evacuation of the port traffic from the port area upto NH-5 and to have free traffic flow without hindrance due to road rail crossings and congestion of traffic experienced via existing roads connecting to NH-5. The said port connectivity facility is running within the city and industrial areas and will cater to the vehicular traffic of the public as well as the port cargo traffic.
- (v). M/s. IDFC, engaged as a financial advisor for the project, had submitted a report on financial viability of the project in 2003. They recommended toll rates at Rs.10/- for Car/Jeep/Van; Rs.20/- for LCV; Rs.40/- for Bus/Truck and Rs.60/- for MAV.
- (vi). The NHAI has also made a detailed traffic survey report on the port connectivity project and has suggested the toll structure alongwith detailed computation and report.

2.4. Accordingly, toll proposed to be levied by the VPRCL is as follows:

- (i). Toll is proposed to be levied at the following two locations.
 - (a). Toll Plaza 1: Main toll plaza near Ayyapan Temple junction at NH-5.
 - (b). Toll Plaza 2: Secondary toll plaza on Industrial by-pass.

(ii). The proposed toll structure and concession proposed are tabulated below:

(a). Proposed toll:

(In Rs.)

Sl. No.	Type of Vehicle	Proposed Rates for main Toll Plaza	Proposed Rates for Secondary Toll Plaza
(i)	Car/Jeep/Van	9	5
(ii)	LCV	17	9
(iii)	Truck/Bus	33	18
(iv)	MAVs (3 to 6 Axles)/HCM/EME	54	28
(v)	Oversized Vehicles (7 or more Axles)	66	35

(b). Proposed concessions are:

Sl. No.	Pass	Concession
1.	Monthly	50 single journeys in a month with a discount of 1/3 of amount otherwise payable for 50 single journeys at Toll Plaza 1 and 2.
2.	Daily	Return journey in a day @ 1.50 times the rate of single journey at Toll Plaza 1 and two journeys per day at Toll Plaza 2 @ 1.5 times the rate of single journey.
3.	Local	Car/Jeep/Van local user i.e. resident within 20 km of the plaza @ monthly pass Rs.150/- per month.

(c). The following categories of vehicles are proposed to be exempted from the levy of the proposed toll:

- * Official vehicles transporting and accompanying the President of India, Vice President of India, Chief Justice of the Supreme Court, Union Minister, Governors, Lt. Governors, Chief Minister, Presiding Officers and Leaders of Opposition of the Central and State Legislatures, Judges of Supreme Court, Chief Justices of the High Courts, Ministers of States, Judges of the High Court and Foreign Dignitaries on State Visit;
- * Official vehicles of Central and State armed forces in uniform including paramilitary forces and police and of Executive Magistrates;
- * Member of Parliament in the entire country; Member of State Legislative Council and Member of State Assembly within their respective State when sitting in the vehicle, on production of identity card issued by the Parliament or concerned Legislature of a State, as the case may be;
- * Vehicle belonging to winner of the Gallantry award such as Param Vir Chakra, Ashok Chakra, Maha Vir Chakra, Kirti Chakra, Vir Chakra and Shaurya Chakra, if such awardee produces his photo identity card duly authenticated by the Competent Authority for such award;
- * Vehicles with CC/CD number plates;
- * Ambulances, fire tenders and funeral vans; and
- * Vehicles of persons using the highway for inspection, survey, construction, or operation and maintenance thereof.

Note: Posts and Telegraph Department vehicles and Central and State Government vehicles on duty will not qualify for treatment as exempted vehicles.

- (iii). The toll proposed for the year 2006-07 is based on Wholesale Price Index (WPI) of December 2005 and the same are to be revised annually based on the WPI.

2.5. The VPRCL has also furnished the basis of arriving at the proposed toll. Based on the recent traffic studies it expects to generate revenue of Rs.6.12 crores during the year 2006-07 from levy of the proposed toll.

3.1. In accordance with the consultative procedure prescribed, the proposal of VPRCL alongwith the basis of calculation of the proposed toll structure was forwarded to the VPT and the concerned associations, public utility operators, major users including statutory authorities, seeking their comment.

3.2. The comments furnished by the concerned users were forwarded to the VPRCL for its comments as feedback information. The VPRCL has, however, not furnished its comments on the comments of the users so far.

4.1. While the case was taken on consultation, the VPRCL requested this Authority to approve the proposed toll since it planned to open the road connectivity project to traffic with effect from 1 December 2006. It had proposed some marginal adjustment in the toll structure proposed in its initial proposal. No modification was proposed in the exemption category of vehicles. The revised toll structure proposed by VPRCL is tabulated below.

I. (A). Toll at Main Toll Plaza near Ayyappan Temple:

Sl. No.	Type of Vehicle	(In Rs.)	
		Single Journey Rate	Return Journey Rate, valid for 24 hours
1.	Car / Jeep / Van	10	15
2.	LCV	15	25
3.	Truck / Bus	35	55
4.	MAV (3 to 6 Axles) / HCM / EME	55	85
5.	Oversized Vehicles (7 or more Axles)	65	100

I. (B). Toll with concessions to local traffic / frequent travellers between Convent Junction and Ayyappan Temple on NH-5 (at main Toll Plaza near Ayyappan Temple).

Sl. No.	Pass	(In Rs.)				
		Car / Jeep / Van	LCV	Truck / Bus	MAV's (3 to 6 Axles)/ HCM/ EME	Over sized Vehicles (7 Axles or more)
1.	Monthly pass: (50 single journeys in a month with a discount of 1/3 rd of amount otherwise payable for 50 single journeys)	335	500	1165	1835	2165
2.	Daily pass: (Return journey in a day @ 1.50 times the rate of single journey)	15	25	55	85	100
3.	Local pass for month: (For residents within 20 KM of the toll plaza on production of residence proof and ownership proof of vehicle)	150	Not applicable	Not applicable	Not applicable	Not applicable

II. (A). Toll for Secondary Toll Plaza near 'Y' Junction.

(In Rs.)

Sl. No.	Type of Vehicle	Single Journey Rate	Return Journey Rate, valid for 24 hours
1.	Car / Jeep / Van	5	10
2.	LCV	10	15
3.	Truck / Bus	20	30
4.	MAV (3 to 6 Axles) / HCM / EME	30	45
5.	Oversized Vehicles (7 or more Axles)	35	55

II. (B). Toll with concessions to local traffic / frequent travellers between Convent Junction and 'Y' Junction (at Secondary Toll Plaza near 'Y' Junction).

(In Rs.)

Sl. No.	Pass	Car / Jeep / Van	LCV	Truck / Bus	MAV's (3 to 6 Axles) / HCM / EME	Over sized Vehicles (7 Axles or more)
1.	Monthly pass: (50 single journeys in a month with a discount of 1/3 rd of amount otherwise payable for 50 single journeys)	165	335	665	1000	1165
2.	Daily pass: (Two journeys in a day @ 1.50 times the rate of single journey)	10	15	30	45	55
3.	Local pass for month: (For residents within 20 KM of the toll plaza on production of residence proof and ownership proof of vehicle)	150	Not applicable	Not applicable	Not applicable	Not applicable

4.2. The VPT and VPRCL held discussion regarding the toll to be levied on *ad hoc* basis with the relevant users in the meeting convened by them on 17 November 2006. The record note of discussions held on 17 November 2006, which was furnished by VPRCL, indicated that the relevant users had accepted the proposed rates to be levied on an *ad hoc* basis till fixation of final rates by the Authority.

4.3. Since the project was proposed to be opened for traffic with effect from 1 December 2006, it was necessary for a tariff arrangement to be in place to enable the VPRCL to operate the facilities. As the proposed *ad hoc* rates were mutually agreed rates, this Authority passed an Order No. TAMP/47/2006-VPRCL on 28 November 2006 approving the proposed *ad hoc* rates as an interim arrangement for a period of six months. This Order was notified on 1 December 2006 in the Gazette of India vide Gazette No. 177.

5.1. Subsequently, the VPRCL pointed out the difficulties expressed by the users with reference to the *ad hoc* monthly pass system approved by this Authority. The VPRCL pointed out that the passes were exhausted within a very short period of 4 to 5 days as many of the users had to make number of trips in a day. The monthly pass issued with 50 limited journeys was not found adequate for a full month. In view of the difficulties expressed by the port users, the VPT had advised the VPRCL to issue passes for unlimited journeys. The VPT had also advised the VPRCL to exempt toll fee for the Government vehicles on duty.

5.2. In this backdrop, the VPRCL has proposed to introduce separate rates for daily / monthly passes for unlimited journeys. The existing ad hoc rate approved for single journey is taken as the base and applied for six journeys for arriving at the proposed rate for daily pass for unlimited journeys. Likewise, for monthly pass the same factor was applied for 30 days per month. Accordingly, the toll structure proposed by VPRCL for issue of passes for unlimited journeys is tabulated below:

At Main Toll Plaza near Ayyappa temple

(In Rs.)					
Pass	Car / Jeep/ Van	LCV	Truck / Bus	MAV's (3 to 6 Axles) / HCM / EME	Over sized Vehicles (7 Axles or more)
Daily Pass (Unlimited journeys)	60	90	210	330	390
Monthly Pass (Unlimited journeys)	1800	2700	6300	9900	11700

At Secondary Toll Plaza near 'Y' Junction

(In Rs.)						
Sl. No.	Pass	Car / Jeep/ Van	LCV	Truck / Bus	MAV's (3 to 6 Axles) / HCM / EME	Over sized Vehicles (7 Axles or more)
4(a).	Daily Pass (Unlimited journeys)	30	60	120	180	210
4(b).	Monthly Pass (Unlimited journeys)	900	1800	3600	5400	6300

5.3. In addition to the existing list of exempted categories of vehicles, the VPRCL proposed to exempt the Government vehicles on duty from levy of toll till such time the revised policy of NHAI comes into force. It has also pointed out that at secondary toll plaza, the daily pass is for two journeys instead of return journey mentioned in the interim tariff notified on 1 December 2006 and hence the description needs to be corrected accordingly.

5.4. With reference to its proposal for issue of passes for unlimited journeys, the VPRCL was requested to furnish additional information/clarification on some of the points. Clarifications furnished by VPRCL is summarised below:

- (i). As per the existing policy of NHAI, daily and monthly unlimited passes are provided at 1.5 and 30 times the single rate for NHAI funded projects. This facility, however, is not available for BOT projects. The policy is under review.
- (ii). With reference to our query as to why the interim rate approved for single journey is considered as the base for arriving at the proposed rate for unlimited passes instead of concessional toll prescribed in our Order, the VPRCL has clarified that average number of journeys by the users making multiple trips per day is 5 to 7 based on the toll data collected from 15 December 2006 to 31 December 2006. Since it is proposed to allow unlimited journeys as against the average number of 6 journeys per day, the concessions otherwise available for return journey and monthly pass are not considered for arriving at the proposed rates. It has argued that allowing unlimited journeys in itself is a concession.
- (iii). At present, NHAI exempts Central and State Government vehicles on duty from payment of the user fees. But, this policy is under review and it is anticipated that this exemption may be withdrawn. It has, however, requested to approve its proposal for exempting Government vehicles on duty from this levy pending implementation of the new policy of NHAI.

5.5. The proposal received from the VPRCL for issue of passes for unlimited journeys was forwarded to the VPT for its specific comments. The VPT has endorsed the proposal and stated that the request of the port users for issue of unlimited daily and monthly journeys without ceiling on the number of journey is genuine, as they have to regularly operate between the two toll plazas. It has reported that

the proposal of VPRCL was discussed with the concerned users who have agreed to the proposed ad hoc toll rates for unlimited daily/monthly passes for interim period till fixation of final rates by this Authority. The VPT has, therefore, requested this Authority to accord approval to the proposed rates. It has also submitted that the VPRCL Board (comprising of VPT and NHAI representatives) considered it desirable to exempt Government vehicles on duty.

5.6. Since, the VPT had endorsed the proposal of the VPRCL and had found the proposed rates to be justified and also recognising that the users had mutually agreed to the proposed ad hoc rates for an interim period, this Authority passed an Order No. TAMP/47/2006-VPRCL on 12 February 2007 approving the ad hoc rates proposed by the VPRCL for issue of passes for unlimited journeys as an interim tariff arrangement till fixation of the final rates. With regard to exemption of Government vehicles, the VPRCL was advised to continue to follow the policy adopted by the NHAI for exempting this category of vehicle since the NHAI policy for exemption of Government vehicles is under review for BOT projects. The Order passed by this Authority on 12 February 2007 was notified in the Gazette of India on 24 February 2007.

6.1. A joint hearing, in this case was held on 12 June 2007 at the Visakhapatnam Port Trust premises. At the joint hearing, the Visakhapatnam Port Road Company Limited (VPRCL) explained the project details and presented its proposal for levy of toll. At the joint hearing, VPRCL, and the concerned users made their submissions. The Visakhapatnam Stevedores Association filed written submissions at the joint hearing.

6.2. As decided in the joint hearing, the Visakhapatnam Port Road Company Limited (VPRCL) was advised to furnish relevant documentary support to substantiate that the proposed toll structure adopted by the VPRCL is in line with the national policy followed by the National Highway Authority of India (NHAI) applicable for BOT projects. The VPRCL was also allowed to amend its earlier proposal in view of revised formula contemplated by the Government for determining the annual escalation in toll charges.

6.3. The VPRCL has responded to the points made at the joint hearing. The main submissions made by the VPRCL are summarised below:

- (i). With reference to documentary support sought by us to substantiate that the proposed toll structure adopted by the VPRCL is in line with the national policy followed by the National Highway Authority of India (NHAI) applicable for BOT projects, it has referred to the following clause 2 of the National Highways (Collection of Fees by any Person for use of section of National Highway/Permanent Bridge/Temporary Bridge on National Highways) Rules, 1997:

“The rates of fees and the period of collection shall be decided and shall be specified by notification in the Official Gazette by the Central Government having regard to the expenditure involved in building, maintenance, management and operation of the whole or part of such section, interest on the capital invested, reasonable return the volume of traffic and the period of such agreement”.

- (ii). It has given reference of three notifications published by the Ministry of Road Transport and Highways in the Gazette of India on toll structure at Moradabad Bypass on NH-24 (notified on 18 June 2001), Ahmedabad-Vadodra Expressway (notified on 23 September 2004) and 2nd Vivekananda Bridge across river Hooghly on NH-2 (notified on 25 November 2005) pertaining to similar projects for reference.
- (iii). The revenue from the toll proposed to TAMP was expected to be around Rs.6.12 crores i.e. a toll revenue @ Rs. 1.68 lakhs per day in the year 2006. However, the toll revenue based on last 6 months collection at adhoc rates approved by TAMP is only 95,900/- per day which is far less than the estimated toll revenue. It is, therefore, having consultation with the VPT for augmenting the toll revenue.
- (iv). As regards the formula for determining the annual escalation for toll charges, it has clarified that the new National Highway Toll Policy is under vetting by Ministry of Law. A proposal will be submitted soon after said Policy is approved by the Central Government.

7. 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>

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

- (i). The proposal under consideration is for fixation of final rates for the newly developed link road/ flyover connecting the Visakhapatnam Port to National Highway operated by a Special Purpose Vehicle created for this purpose i.e. Visakhapatnam Port Road Company Limited (VPRCL). The proposal before this Authority is for fixing the charges since VPRCL is offered the Licence by VPT under Section 42 of the Major Port Trusts Act 1963.
- (ii). The proposed toll was discussed by the VPRCL with the VPT and the relevant users in the meeting convened by them on 17 November 2006 for adhoc approval by this Authority. The record note of discussions confirms acceptance of the proposed rates by the concerned users on an adhoc basis. Even the VPT has endorsed the proposal.

Since it was a mutually agreed rate, proposed toll structure was approved by this Authority on an adhoc basis for an interim period of six months vide Order No. TAMP/47/2006-VPRCL notified on 1 December 2006.

Subsequently, based on representations made by the users who are frequent travellers, the VPRCL had proposed separate toll for issue of monthly / daily passes for unlimited journeys. Since these rates were also mutually agreed rates with the concerned users and recognising that the VPT had endorsed the proposal, separate toll for issue of monthly/ daily passes for unlimited journeys was notified by this Authority vide Order No. TAMP/47/2006-VPRCL notified on 24 February 2007.

- (iii). As already mentioned earlier, the proposed toll approved by this Authority on adhoc basis is being levied by the VPRCL for more than six months after opening the road/ flyover to users. There have not been any pointed objections from the concerned users on the toll structure except a general remark made by the Visakhapatnam Stevedores Association (VSA) that the toll structure is not as per the policy of the NHAI. It has not substantiated its claim with any documentary support. The VSA has made a comparison of the proposed toll with the toll applicable at some other National Highway at the Visakhapatnam for this purpose.

It has to be recognised the SPV set up to execute the project i.e. VPRCL is a joint venture company between NHAI and VPT, both of which are statutory authorities under the Government. Prima facie, this Authority does not have any reasons to believe that these bodies would have acted in any manner contradictory to the applicable Governmental policy and instructions.

The VPRCL has referred to clause 2 of the National Highways Rules, 1997 on Collection of Fees by any Person for use of section of National Highway/Permanent Bridge/Temporary Bridge on National Highways which clarifies that the rates of fees and the period of collection shall be decided having regard to the expenditure involved in building, maintenance, management and operation of the whole or part of such section, interest on the capital invested, reasonable return, the volume of traffic and the period of such agreement.

The three Orders of the Ministry of Shipping, Road Transport and Highways for similar projects operated on BOT basis at other places forwarded by VPRCL reveal that the rate per km for a particular category of vehicle is different for the three projects. The difference may have arisen due to different level of investment, operations and maintenance cost and traffic. Hence the comparison of toll made by the VSA is not found to be fully relevant.

It is significant to mention that the VPRCL has forwarded the report of traffic study and detailed computation of proposed toll undertaken by the NHAI. It has in a meeting with concerned users confirmed that the proposed toll structure is based on the NHAI rules.

In view of this position, this Authority is inclined to approve the adhoc rate approved earlier as the final rate.

- (iv). It is reported that the formula for determining annual escalation in the toll charges is being finalised by the NHAI. The VPRCL is allowed to come up with a separate proposal for application of annual escalation in toll as and when the formula is approved by the NHAI.
- (v). The VPRCL has proposed a list of vehicles to be exempted from levy of the toll broadly based on the guidelines / policies of the NHAI.

The initial proposal of the VPRCL, however, did not exempt Post and Telegraph vehicles and Central and State Government vehicles on duty from levy of toll. Several representations were received from Central / State Government offices in Visakhapatnam and Department of Post and Telegraph to exempt their vehicles on duty from levy of toll. The East Naval Command Base has submitted that all military and defence vehicles irrespective of whether they are on duty or not must be exempted from levy of toll in accordance with the directions from the Ministry of Transport and Highways.

The VPRCL has also found the demand made by the State / Central Government offices to be relevant. It has, therefore, agreed to exempt the State / Central Government Vehicles on duty from levy of toll till the revised policy of the NHAI is finalised.

The National Highway Rules 1997 (Collection of Fees by any Person for use of section of National Highway/Permanent Bridge/Temporary Bridge on National Highways), and Gazette Notifications of toll approved by the Ministry of Shipping, Road Transport and Highways exempts State/ Central Government vehicles on duty and defence vehicles from levy of toll.

In view of specific position in the NHAI Rules and also based on the position obtained from the Orders notified by the Ministry of Shipping, Road Transport and Highways for similar projects, the State / Central Government Vehicles on duty and defence vehicles need to be exempted from levy of toll. The list of exempted vehicles notified by this Authority vide Order dated 28 November 2006 needs to be suitably modified to include these entries.

The VPRCL is advised to follow the prevailing policy adopted by the NHAI for exempting the specific categories of vehicles from levy of toll.

- (vi). The adhoc approval granted by this Authority for an interim period of six months has already expired on 1 June 2007. The VPRCL continues to levy the adhoc rate in the absence of fixation of final rate. Since the final rate is only a confirmation of the adhoc rates approved earlier, the final rates is deemed to have come into effect retrospectively from the date of implementation of the respective Orders.

9. In the result, and for the reasons given above, and based on a collective application of mind, this Authority confirms the adhoc toll approved vide Orders notified on 1 December 2006 and 24 February 2007 as the final rate subject to modification in the list of exempted category of vehicles as per the prevailing NHAI policy in this regard.

(A.L. Bongirwar)
Chairman

Summary of the comments received from the port users / different user organisations and arguments made in this case during the joint hearing before the Authority

F. No.TAMP/47/2006-VPRCL - Proposal from the Visakhapatnam Port Road Company Limited for fixation of toll for newly developed link road / flyover connecting Visakhapatnam Port to National Highway-5.

1. The summary of the comments from the user/user organisations are summarised below:

National Mineral Development Corporation Limited

- (i) The proposal seems to be in line with the various provisions of the relevant acts/rules. It has nothing special to comment.

Office of the Commissioner of Customs

- (i). The Customs House is located within the port area, which falls within the jurisdiction of the municipal corporation of the Visakhapatnam.
- (ii). It has to undertake regular surveillance activities to combat smuggling activities throughout port and all the connecting roads to the port. The three container freight stations falling under its jurisdiction need to be visited continuously for supervision, examination, valuation of cargo and regular anti-smuggling activities. Similarly, it has to visit nearby bonded warehouses very often for official activities using the newly developed road. The said road is also used by its staff daily to visit airport for discharging official duties.
- (iii). Since its office vehicles will be plying on the said road for official work, the office vehicles may be exempted from levy of the proposed toll.

Eastern Naval Command Base

- (i). All military vehicles are required to be exempted from toll. Further, all defence personnel of regular forces (Army, Navy and Air force) must also be exempted from paying toll including private vehicles irrespective of whether they are on duty or not in accordance with the Ministry of Transport and Highways, Government of India letter No. NH-12037/278/2003/PB/NII-1 dated 12 November 2003.

Public Works (R&B) Department

- (i). The Central Government/State Government vehicles on official duty are being exempted from paying toll by the Government of Andhra Pradesh wherever projects are executed under BOT or any other scheme.

- (ii). Many industries are established in and around Visakhapatnam by State and Central Organisations. These authorities have to deal with Visakhapatnam Port Trust on a day to day basis. In view of this position, vehicles of Central and State Governments on official duties should be exempted from levy of toll since it may not be feasible for Government Organisations to pay toll from the Government funds.

Sarat Chatterjee & Co. (Visakhapatnam) Pvt. Ltd.

- (i). It is a major user of the VPT. It has been taking half yearly passes (tamper proof) for plying the vehicles within the port premises on payment of necessary fees.
- (ii). Since the port road connectivity is extension of the port facility, it is requested that the same existing passes may be made applicable for the port connectivity road without any additional toll.
- (iii). The performance and turn around of the vessel depends on the prompt loading/unloading and transport operation. Till the various issues relating to port connectivity road and the traffic are streamlined, the current (old) road may be kept open for bi-directional transit without any toll.
- (iv). In order to avoid holding up of vehicles carrying import and export cargo at toll gates, it is proposed that separate lanes may be provided for such vehicles.

National Aluminum Company Limited

- (i). It is not a user of port road connectivity facility as it is connected through existing old road. However, it is requested that vehicles of NALCO officials may be exempted from the toll as and when they use the port connectivity road.

Coromandel Fertilizers Limited

- (i). It contributes to the growth of the VPT by importing raw materials and thereby increasing volumes of the port over the years. It also pays lease rentals and other charges regularly. In view of this, the VPT should absorb the expenditure for providing infrastructure facilities to the port user industries.
- (ii). Its industry falls under Essential Commodities Services under Fertilizer Act and also under Public Utility Services catering to the needs of fertilizer fraternity. Additional burden cannot be passed on to the agricultural sector as it falls under partially decontrolled and Retention Price Scheme.
- (iii). It has requested for total toll exemption at both main toll plaza and secondary toll plaza in respect of all vehicles transporting dry bulk/liquid cargo meant for CFL and the all other vehicles having CFL logos taking into consideration its long standing business association with the VPT.

Andhra Pradesh State Road Transport Corporation

- (i). It operates public transport services at subsidised rates to cater to the travelling needs of the common people, who are labourers with minimum wages. The introduction of proposed toll will affect the monthly budget of this category of commuters.
- (ii). Till now user fee is being charged only on national highways; and, no charges are applicable within the city. In fact, there are no toll charges on urban operations in any of the city in India.
- (iii). Three wheeler autos are the main competitors to public transport in urban operational scenario. Since three wheeler auto, its main competitor, is exempted from paying toll, it apprehends that the passengers may divert to auto thereby exposing it to a dangerous situation.
- (iv). Most of the bus services offered by it operate for more than 50 single journeys in the port connectivity road. Since the VPT has refused to issue passes to the buses operating more than 50 single trips in a month, it has resulted in stoppage of such bus operations.
- (v). As Andhra Pradesh State Road Transport Corporation (APSRTC) is a service organisation for transportation of people, port is requested to direct VPRCL to issue required passes for smooth operation of RTC buses in that sector till final decisions is taken by TAMP.

The Andhra Petrochemicals Limited

- (i). The monthly pass at Main Toll plaza is issued at Rs. 335/- per month (restricting 50 single journeys) and local pass is issued at Rs.150/- per month. At Secondary Toll plaza, monthly pass is issued at Rs. 165/- (for 50 single journeys) and local pass is issued at Rs. 150/- per month. The calculation of the rates at main toll plaza based on 25 working days in a month and 50 trips (to and fro) in a month is justified recognising that employees in the industrial area self drive making two trips in a day. However, the calculation at the secondary toll plaza is not justified as traffic on the bridge between the secondary plaza and Convent junction moves in one-way direction.
- (ii). The rates for monthly pass and local pass are different though the local pass holders use the same facility as the monthly pass holders.
- (iii). The monthly charges are fixed at Rs.335/- and Rs.165/- per month for main toll plaza and 'Y' junction toll plaza respectively depending upon length of bridge. Whereas the rate for local pass is fixed same at Rs.150/- per month for both main plaza (9 Kms) and 'Y' junction plaza (1.9 Kms) without taking into consideration the distance involved in using both these plazas. It is further submitted that local pass holders use main plaza both the ways whereas local pass holders at 'Y' junction utilise the bridge only once while coming to the duty since it is made one way.

- (iv). In view of the above, it is requested that local passes to the employees using 'Y' junction plaza may be issued at 1/4th of the rate of main plaza i.e., Rs.40/- per month.

Bharat Petroleum Corporation Limited

- (i). Staff vehicles of its organisation may be exempted from the proposed toll since it is established prior to the construction of port connectivity road.

Rashtriya Ispat Nigam Limited

- (i). It has no comments to offer on the proposal.

Hindustan Shipyard Limited

- (i). The Notification dated 30 November 2006 is being implemented with a wrongly interpretation by the VPRCL. The vehicles, which are coming from city to its organisation are diverted to go only through the newly constructed flyover forcibly and the toll is being collected at 'Y' junction. Our vehicles are neither going to VPT nor coming from VPT.
- (ii). Prior to construction of the new port connectivity road, its vehicles used to come through the old flyover and road below the newly flyover both ways without any difficulty / problem. After inauguration of this new port connectivity road, the vehicles coming from town are not allowed to go through the old flyover adjacent to Essar and forced to go via the newly constructed road by making it one-way traffic. This is not at all justified.
- (iii). It has, therefore, requested this Authority to issue necessary direction to the concerned officials to allow its vehicles coming from city through the old flyover and the road below the new flyover without being forced to use the newly constructed port connectivity road.

2. A joint hearing, in this case was held on 12 June 2007 at the Visakhapatnam Port Trust premises. At the joint hearing, the Visakhapatnam Port Road Company Limited (VPRCL) explained the project details and presented its proposal for levy of toll. At the joint hearing, following submissions were made by the VPRCL and other concerned users:

Visakhapatnam Port Road Company Limited

- (i). The traffic actually using the road is much less than the estimated position. Our revenue realisation is only about 50% of the anticipated revenue.
- (ii). Escalation formula is being revised by NHAI. We will amend the proposal.

Visakhapatnam Customs Clearing and Forwarding Agents Association

- (iii). Our examiners require to go to various CFS situated near the toll road. Please exempt us.

Hindustan Shipyard Limited

- (iv). We have given a written submission. Please consider.

Visakhapatnam Stevedores Association

- (v). The toll rates proposed are very high. Please moderate.

Gangi Reddy Shipping

- (vi). Port has to provide the road infrastructure. We pay wharfage for that. Why should we pay separately toll?

Andhra Pradesh State Road Transport Corporation

- (vii). We run public service. We should be exempted.

Bothra Shipping Services

- (viii). The toll structure should be so designed to permit even unlimited journey by paying higher rates.
- (ix). The rate structure adopted is different from the Government policy.

Eshwar Shipping

- (x). The toll rate may be loaded to wharfage. It should not be charged separately.

3. At the joint hearing Visakhapatnam Stevedores Association (VSA) filed written submission. It has submitted that the charges collected by VPRCL are not in accordance with NHAI policy. For instance toll collected for multiple trip approximately 40 kms. stretch on National Highway at Visakhapatnam is Rs.65 for 24 hours for a ten tyre truck. Whereas, the toll collected by VPRCL for 12 kms. stretch is Rs. 210/- i.e. almost three times that of NHAI rate. It has, therefore, requested to bring in parity in collection of charges as per NHAI policy.