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TARIFF AUTHORITY FOR MAJOR PORTS

G. No. : 54

New Delhi, 24 February 2007

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 an interim tariff arrangement for issue of passes for unlimited journey by the Visakhapatnam Port Road Company Limited (VPRCL) for the newly developed link road at the Visakhapatnam Port 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 (VPRCL) - - - -

Applicant

ORDER

(Passed on this 12th day of February 2007)

This Authority had passed an Order No TAMP/47/2006-VPRCL dated 28 November 2006 fixing toll charges on an *ad hoc* basis for an interim period of six months for the newly developed link road / flyover connecting Visakhapatnam Port to National Highway-5 operated by the Visakhapatnam Port Road Company Limited. This Order was notified in the Gazette of India on 1 December 2006 vide Gazette No.177.

2.1. The VPRCL has now pointed out the difficulty expressed by the users with reference to the present monthly pass system. The passes exhaust within a very short period of 4 to 5 days, as many of the users have to make number of trips in a day. The monthly pass presently issued with 50 limited journeys is not found adequate for a full month. In view of the difficulties expressed by the port users, the VPT has advised the VPRCL to issue passes for unlimited journeys.

2.2. In this backdrop, the VPRCL has proposed to introduce 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 is applied for 30 days per month. The rates proposed by the VPRCL for issue of daily / monthly pass (unlimited) are as follows:

(In Rs.)					
Type of pass / Category of Vehicle	Car/Jeep / Van	LCV	Truck / Bus	MAV (3 to 6 Axle) / HCM / EME	Over sized Vehicle (7 axle and more)
(A) Main toll plaza					
Daily Pass (Unlimited journeys)	60	90	210	330	390
Monthly Pass (Unlimited journeys)	1800	2700	6300	9900	11700
(B) Secondary toll plaza					
Daily Pass (Unlimited journeys)	30	60	120	180	210
Monthly pass (Unlimited journeys)	900	1800	3600	5400	6300

2.3. In addition to the existing list of exempted categories of vehicles notified in the Order dated 1 December 2006, the VPRCL has proposed to exempt the Government vehicles on duty also from levy of the toll till such time the revised policy of National Highway Authority of India comes into force.

2.4. The VPRCL has pointed out that in case of secondary toll plaza, the daily pass is for two journeys instead of return journey mentioned in the schedule. It has, therefore, requested to correct the description of Sl.No. 2 under Schedule II (B) accordingly.

3. On a preliminary scrutiny of the proposal, the VPRCL was requested to furnish additional information / clarification on various points. The VPRCL has furnished the following main clarifications:

- (i). As per the existing policy of National Highways Authority of India (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). 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 21 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 will be withdrawn. It has, however, requested to approve its proposal pending implementation of the new policy of NHAI.

4.1. The proposal received from the VPRCL was forwarded to VPT for its specific comments. The VPT has endorsed the submissions made by the VPRCL. It has stated that the request of the port users for issue of unlimited daily and monthly passes without any ceiling on number of journeys is genuine as they have to operate regularly between the two toll plazas. It has also pointed out that the proposed rates for daily / monthly passes for unlimited journeys by the VPRCL are reasonable. It has reported that the proposal of VPRCL has been 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.

4.2. Considering the requirements of the multiple journeys to be performed by port users and to have a smooth and effective cargo traffic flow in the port without frequent hindrances and recognising that the proposed toll is justified, the VPT has requested the Authority to accord approval to the proposed rates.

5.1. The policy / guidelines of the NHAI for fixation of rates for issue unlimited passes in case of BOT projects is under review. This proposal has been mooted mainly at the request of the users in view of the difficulties faced by them in the present toll structure. The VPT has endorsed the proposal of the VPRCL and has found the proposed rates to be justified. In view of the above position, and also recognising that the users have mutually agreed to the proposed *ad hoc* rates for an interim period, this Authority is inclined to approve the *ad hoc* rates proposed by the VPRCL as an interim tariff arrangement till fixation of the final rates. The rates approved in this Order are inserted as additional entries for those travellers / traffic who use the road frequently. The existing monthly pass with 50 single journeys in a month and daily pass with return journey, however, continue to be available for those who do not use the road that frequently.

5.2. The existing list of vehicles exempted from levy of the toll is broadly based on the guidelines / policies of the NHAI. The Government vehicles on duty are not exempted from the levy of toll as per this list. The NHAI, however, exempts the Government vehicles on duty from levy of toll but this exemption is likely to be withdrawn as reported by the VPRCL. The NHAI is in the process of reviewing and formulating new guidelines in case of BOT projects. Till a final policy in this regard is evolved by the NHAI, the VPRCL is advised to continue to follow the policy adopted by the NHAI for exempting this category of vehicle.

5.3. The description of Sl.No. 2 in II (B) mentions that daily pass is with return journey. The VPRCL has clarified that tolling on the secondary toll plaza is in one direction only. Accordingly, the description of this item is corrected as daily pass with two journeys as pointed out by them.

5.4. Ordinarily, the rates approved by this Authority are to be implemented after allowing a lead-time. Since this proposal is made at the request of the users in view of the difficulties expressed by them and since there is no tariff arrangement prevailing for issue of daily / monthly passes for unlimited journeys, the interim tariff arrangement approved for VPRCL shall come into effect immediately from the date of notification of this Order in the Gazette of India. The *ad hoc* rates approved shall be valid till 31 May 2007 co-terminus with the validity of the interim tariff arrangement notified on 1 December 2006 or till the effective date of implementation of the final rates to be fixed, whichever is earlier.

6. In the result and for the reasons given above, this Authority approves the *ad hoc* rates for issue of daily / monthly pass for unlimited journeys as an interim tariff arrangement by

inserting the following entries in the Annex attached to the Order No. TAMP/47/2006-VPRCL notified on 1 December 2006.

- (i). **Insert Sl. No. 4(a) and (b) in Schedule 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) as follows:**

(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)	60	90	210	330	390
4(b).	Monthly Pass (Unlimited journeys)	1800	2700	6300	9900	11700

- (ii). **Insert Sl. No. 4(a) and (b) and replace Sl. No 2 in Schedule II (B) - Toll with concessions to local traffic / frequent travellers between Convent Junction and 'Y' Junction (at Secondary Toll Plaza near 'Y' Junction) as follows:**

(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)
2.	Daily pass: (Two journeys in a day @ 1.50 times the rate of single journey)	10	15	30	45	55
4(a).	Daily Pass (Unlimited journeys)	30	60	120	180	210
4(b).	Monthly Pass (Unlimited journeys)	900	1800	3600	5400	6300

(A.L. Bongirwar)
Chairman