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Tariff Authority for Major Ports

G.No.87

New Delhi,

13 March 2015

NOTIFICATION

In exercise of the powers conferred by Sections 48, 49 and 50 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Visakhapatnam Port Trust (VPT) for general revision of its Scale of Rates, as in the Order appended hereto.

(T.S. Balasubramanian)

Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/13/2013-VPT

Visakhapatnam Port Trust

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Applicant

QUORUM:

- (i). Shri. T. S. Balasubramanian, Member (Finance)
- (ii). Shri. C. B. Singh, Member (Economic)

ORDER

(Passed on this 13th day of February, 2015)

This case relates to the proposal received from the Visakhapatnam Port Trust (VPT) for general revision of its Scale of Rates (SOR).

2.1. The existing SOR of the VPT was last approved by this Authority vide Order No. TAMP/13/2009-VPT dated 18 February 2011 which was notified in the Gazette of India on 31 March 2011 vide Gazette No. 65. The said Order prescribed a tariff validity period till 31 March 2013.

2.2. The VPT filed its complete proposal for revision of existing SOR on 22 March 2013 which was registered as tariff case and taken on consultation. The comments received from users/ user organization were forwarded to the port as feedback information. Joint hearing on the proposal was held on 20 September 2013. As agreed at the joint hearing, the VPT was requested vide our letter dated 7 October 2013 to initiate action on a few points. In response to the points of action decided at joint hearing, the VPT vide its letter dated 19 November 2013 had furnished its reply.

2.3. Subsequently, the VPT vide its letter dated 18 December 2013 had stated that in view of latest development of signing of Concession Agreement with BOT operator, the traffic, income estimates and deficit estimated in its proposal may undergo a change. In view of the above position brought out by the VPT having an impact on its general revision proposal, the port was advised vide our letter dated 31 December 2013 to update its proposal and submit it by 7 January 2014. At the request of the port, it was allowed time up to 20 February 2014 to file its revised proposal, which was further extended till 30 June 2014 at the request of the VPT.

2.4. The VPT vide its letters dated 14 August 2014, 2 September 2014 and 3 September 2014 has filed its revised proposal. In the said revised proposal dated 14 August 2014, the VPT had stated that a separate proposal for capital dredging levy will be filed by them. The revised proposal of the VPT was circulated to concerned users for their comments.

2.5. Subsequently, the VPT vide its letter dated 10 December 2014 has submitted a separate proposal for imposing a levy to recover the cost of Capital Dredging. The said proposal was processed as part of its general revision proposal and circulated to the users / user organizations seeking their comments. The Comments received from users / user organizations on the raised proposal of VPT dated 14 August 2014 and 10 December 2014 were forwarded to VPT seeking the comments of VPT thereon.

3. Based on the request made by the VPT, this Authority has extended the validity of existing SOR of VPT on couple of occasions; the last extension being valid till 31 March 2015 or till the effective date of implementation of the revised Scale of Rates, whichever is earlier, subject to the condition that if any additional surplus over and above the admissible cost and permissible

return emerges for the period post 1 April 2013, during the review of its performance, such additional surplus will be set off fully in the tariff to be determined.

4.1. In the meantime, the Ministry of Shipping (MOS), vide its letter No. 8(1)/2014-TAMP dated 13 January 2015 issued the new "Policy for determination of Tariff for Major Port Trusts, 2015" which was notified in the Gazette of India vide Gazette No. 30 dated 27 January 2015 by this Authority. The new "Policy for determination of Tariff for Major Port Trusts, 2015" has come into effect from 13 January 2015.

4.2. The tariff fixation process envisaged in the new Tariff Policy of 2015 for Major Port Trust by MOS, is significantly different from the tariff fixation method stipulated in the Tariff Guidelines of 2005. Hence, the proposal filed by VPT under tariff guidelines of 2005 cannot be processed in its present form.

5. In view of the above position this Authority based on collective application of mind decides to close the proposal filed by VPT for general revision of its Scale of Rates as well as its proposal for imposition dredging levy which was processed as part of its general revision proposal. The VPT is advised to file a revised proposal in accordance with the new Tariff policy of 2015 announced by the MOS. The proposal when received will be processed following the new Tariff Policy, 2015.

(T.S. Balasubramanian)
Member (Finance)