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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 509 **New Delhi,** **19 November 2020**

NOTIFICATION

In exercise of the powers conferred under Sections 48 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 Mumbai Port Trust (MBPT) for fixation of charges for Float On - Float off vessels operations at Mumbai Port Anchorage, as in the Order appended hereto.

(T.S. Balasubramanian)
Member (Finance)

Tariff Authority for Major Ports

Case No. TAMP/61/2019-MBPT

The Mumbai Port Trust - - - Applicant

QUORUM

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

O R D E R

(Passed on this 28th day of October, 2020)

This case relates to a proposal dated 06 December 2019 received from the Mumbai Port Trust (MBPT) for fixation of charges for Float On - Float off Vessels operations at Mumbai Port Anchorage.

2.1. The submissions made by MBPT in its proposal are as follows:

(i). Star Matrix, one of the main cash buyers of vessels for recycling at Alang, has approached MBPT to provide suitable anchorage area for Float On – Float Off vessels. Float On – Float Off (FLO-FLO) vessels means Semi-submersible heavy-lift ships having a long and low well deck between accommodation area located forward and an aft machinery space. It is a new service at MBPT.

(ii). FLO-FLO vessels will have to pay Port Dues, Composite Towage and Pilotage charges, anchorage charges, Tug and Mooring launch charges and Wharfage charges.

(iii). Considering the above referred charges and excluding the Wharfage charges, under the assumption of vessel's port stay of 36 hours and actual cargo operation of about 12 hours, the slabwise and location wise 'Composite Vessel Related Charges for FLO-FLO operations, are worked out as follows:

	Location	**Slab (GRT of the Mother Vessels)**	**Charges (US $)**
A.	Port Lighterage Anchorage Area	Upto 25000	40000
		25001 and above	50000
B.	Inner Anchorage	Upto 25000	50000
		25001 and above	60000

(iv). Since there will be no Lighterage of Cargo in barges as such, Wharfage in lieu of Lighterage can be levied treating this as satellite berth operations. Wharfage charges on Vessels/ Crafts loaded on board @ Advalorem 1% of CIF value declared for both Inner Anchorage and PLA operations is proposed to be recovered separately in addition to composite vessel related charges.

(v). The MBPT Board Vide TR No. 137 of 24 September 2019 has approved levy of following charges on FLO-FLO vessels and the same is proposed to be inserted in the existing scale of rates of MBPT, with due approval of TAMP:

"1. Section 1.1: Definitions

(**xxxiii**). "Float On-Float Off (FLO-FLO) vessels means Semi-submersible heavy lift ships having a long and low well deck between accommodation area located forward and an aft machinery space. In appearance, it looks similar to a gearless bulk carrier or oil tanker. Its ballast tanks can be

flooded to lower the main deck below the water's surface, allowing oil platforms, other vessels, or other floating cargo to be moved into position for loading (float-on/float-off). The ballast tanks are then pumped out and the main deck rises to take the load of cargo. Float-on / float-off vessels transport vessels, rigs from one site to another. They also transport other oversized cargo and yachts.

2. Section 2.21: <u>Composite Vessel Related Charges for FLO-FLO operations</u>:

	Location	Slab (GRT of the Mother Vessels)	Charges (US $)
A.	Port Lighterage Anchorage Area	Upto 25000	40000
		25001 and above	50000
B.	Inner Anchorage	Upto 25000	50000
		25001 and above	60000

Notes:

(i). The above charges are levied in lieu of Port Dues, Composite towage and pilotage charges, anchorage charges, tug and mooring launch charges and are applicable for a period upto 36 hours. Any stay beyond 36 hours will be on Pro-Rata basis.

(ii). Since there will be no lighterage of cargo in barges as such, wharfage in lieu of lighterage will be levied treating this as satellite berth operations as per schedule of docks wharfgae on goods 3.1 (A) Rate No. 18 based on CIF value declared for both inner anchorage and PLA operations separately in addition to above composite charges.

(iii). As soon as cargo on board (vessels/ crafts) is offloaded at anchorages, offloaded vessel / craft will be a separate vessel and all applicable port charges will be recovered.

3. Chapter III: CARGO RELATED CHARGES

3.1(A) : Schedule of docks wharfage on goods:

Rate No.	Description of Goods	Basis of Charges	Foreign		Coastal	
			Dry Bulk	Other than dry bulk	Dry Bulk	Other than dry bulk
18	Vessels and Crafts	Advalorem	-	1%	-	1%

(vi). The income that would be generated is not known. However, it is anticipated that it would be within the Annual Revenue Requirement (ARR) gap.

2.2. A copy of Boards approval vide TR No.137 of 24 September 2019 has been furnished by MBPT.

3. In accordance with the consultative procedure prescribed, a copy of the MBPT proposal dated 06 December 2019 was circulated to concerned users/ user organisations seeking their comments. None of the users have given their comments till the case was finalized.

4. A joint hearing on the case in reference was held on 28 February 2020 at the office of the Authority in Mumbai. At the joint hearing, MBPT makes a brief power point presentation of its proposal. The MBPT and the users/ user organisations have made their submissions during the joint hearing.

5. During the joint hearing, the MANSA had objected to the wharfage proposed on Advalorem basis and had agreed to propose wharfage in absolute terms supported by calculations. In this regard, the MBPT had also agreed to examine such a proposal. Accordingly, the MANSA vide its e-mail dated 16 March 2020 has furnished its response which was forwarded to MBPT vide our letter dated 18 March 2020 for its specific comments. The MBPT vide its e-mail dated 8 September 2020 has responded.

6. Based on a preliminary scrutiny of the proposal, additional information/ clarification were sought from MBPT on some points vide letter dated 11 March 2020. After a reminder dated 18 March 2020, the MBPT has responded vide its e-mail dated 8 September 2020. The additional information/ clarification sought and the response of MBPT thereon are tabulated below:

<table>
<tr><th>Sl. No.</th><th>Information / Clarification sought</th><th>Reply furnished by MBPT</th></tr>
<tr><td>(i).</td><td>a). As seen from the calculations for arriving at the tariff for composite vessel related charges for FLO-FLO operations given in the Board Note furnished by MBPT, the rates of port dues, pilotage and anchorage berth is as per the pre-revised SOR of MBPT. The MBPT to, therefore, update the tariff of all vessel related charges relating to FLO-FLO operations in line with revised SOR approved by the Authority vide order dated TAMP/5/2019-MBPT dated 24 July 2019, to arrive at the composite rate.

b). Incidentally, the rate worked out by MBPT based on the present</td><td>Normally when vessel arrives in the port, the vessel related charges levied are Port Dues, Anchorage and Pilotage. If tug is used for any purpose, it is charged on hourly basis.
Tariff of all Vessel Related charges have been reworked as per new Scale of Rates to arrive at the proposed charges of Float On – Float Off Vessels Operations which is as follows;
<table>
<tr><td>SOR Section No.</td><td>Type of charges</td><td>Calculations considering GRT to be 25000</td><td>Total charges (USD)</td></tr>
<tr><td>2.16</td><td>Port Dues</td><td>25000 x 0.3315</td><td>8287.50</td></tr>
<tr><td>2.1(A)</td><td>Towage & Pilotage</td><td>25000 x 0.0985</td><td>2462.50</td></tr>
</table>
</td></tr>
</table>

	rate works out $29719 and the minimum rate proposed by MBPT is $40000. There is a mismatch between the rate worked out and proposed rate.	<table><tr><td>2.15</td><td>Anchorage (PLA)</td><td>25000 x 0.0038x36 Hrs</td><td>3420.00</td></tr><tr><td>2.12</td><td>Tug Hire</td><td>850 x 24 Hrs x 2 tugs</td><td>40800.00</td></tr><tr><td></td><td>Actual</td><td></td><td>54970.00</td></tr></table> Considering that tugs may not be required continuously for a period of 36 hours, the lumpsum figure of USD 40000/- for 25000 GRT is arrived at. MbPT had made consultations with Star Matrix, one of the cash buyers of vessels for recycling of vessels, who had approached MbPT to provide suitable area for FLO-FLO vessels. Star Matrix and no other prospective user have any objection regarding proposed Composite Vessel Related Charges. Based on the said Consultations, the charge was proposed.
(ii).	The basis for slab wise categorization of the vessels based on GRT of the Mother Vessels, to be furnished.	Normally GRT of such type of vessel is within 25000 GRT. Any vessel of higher GRT would be in the range of 35000 GRT to 40000 GRT. Hence, basically difference is on the GRT based dues i.e. Port Dues, Anchorage and Pilotage charges. Slab wise charges are proposed based on GRT of the mother vessel as blanket rate cannot be applied to all vessels of different GRT and also it is in line with other Vessel Related Charges.
(iii).	The basis for considering 36 hours stay of FLO-FLO vessels in the calculation to be furnished.	The basis for considering 36 hours stay of FLO-FLO vessels in the calculation is furnished below. The cargo loaded on Board the FLO-FLO vessels is normally a vessel or structure that can float independently on the water. When FLO-FLO vessel arrives at anchorage, the first task is to remove and lashing and fastenings (crib) that were used to secure the cargo (vessel) on, the Main deck of FLO-FLO vessel for sea voyage. On arrival in the port, lashings and fastenings (crib) are removed, so that she can float easily. Subsequently, FLO-FLO vessel is ballasted in controlled manner so as not to cause excessive trim or list thereby risking the stability of the vessel. As a matter of fact, vessel FLO-FLO vessel operations are similar to Dry Docking of the vessel. When dry dock is flooded, the vessel sitting on the blocks starts floating, similarly here when the main deck of FLO-FLO vessel submerges below sea water level, the cargo (vessel / structure) starts floating. Once cargo floats clear of the crib, remaining lashings are removed and then cargo is towed away by tugs. Once floating cargo has moved away, FLO-FLO vessel is de-ballasted so that her main deck rises above sea water level.

		Reverse procedure is carried out when cargo is to be loaded on board vessel. The entire operation is controlled and closely monitored operation, which normally takes around 36 hours.
(iv).	From the workings, it is understood that in the calculation, the anchorage charges have been calculated at $4032 by considering the stayal of vessel at Anchorage at about 14.4 hours. The basis for considering 14.4 hours in the calculation to be furnished.	As per the SOR, rates of Anchorage is 0.0047 US$ per GRT per hour and 0.0038 US$ per GRT per hour at PLA. The duration, as mentioned above, is considered as 36 hours, hence Anchorage charges works out to US$ 4230 and US$ 3420 respectively.
(v).	The basis for proposing advalorem wharfage levy at 1% on CIF value of vessels and crafts for the FLO-FLO vessels, to be furnished.	Emergency Anchorage is dredged every year to maintain the depth of 16 Meters. Cost of dredging is much higher, however, same cannot be charged to FLO-FLO vessel alone. Considering this, only miniscule share of charges towards incurred expenditure is levied as advalorem wharfage levy at 1%.
(vi).	Reason for proposing 1% of the Advalorem for vessels and crafts to be handled by FLO-FLO operations for both foreign and coastal category instead of considering 60% of the foreign rate for the coastal FLO-FLO vessels, as per the Government guidelines, to be explained.	The operations are technically critical and requires expertise and utmost care while handling the vessel so as to bring in position aboard the main deck of FLO-FLO or vice versa. Hence, Advalorem is charged at 1% of the value. In case cargo (vessel) is imported and re-exported then concession may be granted for instance upto 0.5% or i.e. 0.5% on arrival while importing and 0.5% while exporting same cargo.
(vii).	Note No. 3 under the proposed schedule is not clear. The note to be restated to give clarity.	Note No. 3 specifies that when a vessel/ structure e.g. Oil Rig, Single Buoy Mooring (SBM), Jack Up Platform etc. is carried on board FLO-FLO vessel, it is considered as cargo. Once this cargo is discharged, FLO-FLO vessel sails off. The cargo that is discharged is put to use as a vessel. Since the vessel has entered in port limit, all charges incidental to the vessel i.e.vessel related charges such as port dues, anchorage etc. are to be levied on her. When vessel is carried on board FLO-FLO vessel, she is treated as cargo and the insurance cover for them is taken as cargo. The moment she is discharged and waterborne, a fresh insurance cover is taken in the category as vessel. This makes it amply clear that the moment the vessel discharge from FLO-FLO vessel, she will attract Vessel Related Charges.

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 from the users / user organisations and arguments made by the concerned parties will be sent separately to them. These details will also be made available at our website http://tariffauthority.gov.in.

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

(i). The Mumbai Port Trust (MBPT) intends to permit Float On – Float Off operations of vessels at anchorages, which is a new service at MBPT. Accordingly, in this regard, the MBPT proposes to levy composite vessel related charges on the said Float On – Float Off vessels as well as cargo related charges on the Vessels/ crafts so carried by the Float On – Float Off vessels. Thus, the MBPT has come up with the proposal for amending its existing Scale of Rates so as to incorporate charges relating to the Float On – Float Off vessels. The proposal of the port has the approval of its Board of Trustees.

(ii). To arrive at the proposed composite vessel related charges to be levied on the Float On – Float Off vessels, the rates of Port Dues, Towage & Pilotage, Anchorage and Tug Hire charges are seen to have been considered by the port, based on the existing Scale of Rates of MBPT. Further, to arrive at the composite rate, the MBPT has considered the standard GRT of Float On – Float Off vessels at 25000 GRT on the ground that normally the Float On – Float Off vessels are within 25000 GRT. Thus, the Port Dues, Towage & Pilotage charges and Anchorage charges has been determined based on 25000 GRT. Further, the anchorage charges have been worked out for a stayal period of 36 hours. In this regard, the port has explained in detail and has categorically stated that the Float on Float off operation takes about 36 hours. As regards, Tug Hire charges, the port has reported to have considered a lump sum amount of USD 40000/- for a 25000 GRT Vessel. The details as explained above are tabulated below:

Type of charges	**Calculations considering GRT to be 25000**	**Total charges in USD**
Port Dues	25000 x 0.3315	8287.50
Towage & Pilotage	25000 x 0.0985	2462.50
Anchorage (PLA)	25000 x 0.0038 x 36 Hrs	3420.00
Tug Hire	Lumpsum	40000.00
		54170.00

(iv). Thus, as against the rate as worked out by MBPT at 54170 US$, based on the itemwise components of its existing Scale of Rates, the MBPT has proposed a slab wise and location specific composite vessel related charges to be levied on the Float On – Float Off vessels, as given below:

	Location	**Slab (GRT of the Mother Vessels)**	**Charges (US $)**
A.	Port Lighterage Anchorage Area	Upto 25000	40000
		25001 and above	50000
B.	Inner Anchorage	Upto 25000	50000
		25001 and above	60000

The slab wise rates are proposed by MBPT so that a blanket rate need not be applied on all vessels with different GRT and also since other Vessel Related Charges are prescribed on slab basis. MBPT has also indicated that the proposed composite Vessel related charges have been discussed by MBPT with prospective user and that they are in agreement to the proposed charges. Even in the consultation proceedings carried out by this Authority, none of the users have objected to the proposed composite vessel related charges.

(v). Based on the workings furnished by MBPT in support of the proposed rates and since the proposal of the port has the approval of the Board of Trustees of MBPT and has not been objected by the prospective users, this Authority is inclined to approve prescription of the composite vessel related charges to be levied on the Float On – Float Off vessels, as proposed by MBPT.

(vi). The MBPT has proposed advalorem wharfage levy at 1% on CIF value of vessels and crafts loaded on board the FLO-FLO vessels. This is reported to be based on the miniscule share of cost of dredging at Emergency Anchorage, undertaken every year to maintain the depth of 16 Meters. Also, the operations are reported to be technically critical requiring expertise and utmost care while handling the vessel so as to bring in the crafts loaded on board the main deck of FLO-FLO or vice versa. The MANSA has objected to the levy of wharfage charges by the MBPT, since the FLO-FLO vessels will be operating at the Stream and not be berthed alongside any wharf. In this regard, the MBPT has clarified that the wharfage proposed to be levied on the vessels/ craft on board the FLO-FLO Vessels is in lieu of the lighterage charges. According to the MBPT, generally when the cargo is discharged in stream/ PLA, Lighterage dues are levied by the MBPT. However, in the instant case of FLO-FLO Vessels, since the vessels/ craft on board the FLO-FLO Vessels is brought to the Port, the MBPT will not levy lighterage dues on such vessels/ craft on board the FLO-FLO Vessels, but instead levy wharfage charges, by treating this as satellite berth operations. Since the vessels/craft on board the FLO-FLO vessels are brought to the port, the prescription of levy of wharfage on the vessels/ craft on board the FLO-FLO Vessels, seems appropriate and hence, it is approved.

(vii). While proposing the advalorem Wharfage charges, the MBPT is seen to have proposed 1% of the Advalorem for vessels and crafts to be handled by FLO-FLO operations for both foreign and coastal category instead of proposing 60% of the foreign rate for the coastal FLO-FLO vessels, as per the Government guidelines. The MBPT has justified the proposed prescription by stating that the operations are technically critical and requires expertise and utmost care while handling the vessel so as to bring in position aboard the main deck of FLO-FLO or vice versa. While the justification furnished by MBPT may be apt, it may not be possible to ignore the Government Guidelines, which specifically stipulates that the cargo/ container related charges for coastal cargo/ containers, other than thermal coal and POL including crude oil iron ore and iron ore pellets will be 60% of the normal cargo/ container related charges and that the concessional rates shall be levied on all the relevant handling charges for ship-shore transfer and transfer from/to quay to/ from storage yard including wharfage. In view of the above referred Government Guidelines, advalorem Wharfage charges for coastal cargo is prescribed at 60% of advalorem wharfage charges for foreign cargo (vessel).

(viii). The prescription of new composite Vessel related charges and wharfage charges will generally lead to an increase in the revenue of the Port. However, in the case in reference, the MBPT has stated that though the income that would be generated is not known, it would be within the Annual Revenue Requirement (ARR) gap. In this context, it is relevant here to mention that during the last general revision of tariff of MBPT in July 2019, there was a revenue gap to the tune of ₹.39.02 crores, which has been left uncovered by the Port, then. Thus, any additional revenue of arising out of the levy of composite Vessel related charges and wharfage charges would get subsumed in the revenue gap

(ix). The MBPT has proposed to define Float On-Float Off (FLO-FLO) vessels as ‘Semi-submersible heavy lift ships having a long and low well deck between accommodation area located forward and an aft machinery space. In appearance, it looks similar to a gearless bulk carrier or oil tanker and that its ballast tanks can be flooded to lower the main deck below the water’s surface, allowing oil platforms,

other vessels, or other floating cargo to be moved into position for loading (float-on/float-off) and that the ballast tanks are then pumped out and the main deck rises to take the load of cargo and also that Float-on / float-off vessels transport vessels, rigs from one site to another and transport other oversized cargo and yachts'. Since the proposed definition gives clarity and avoids ambiguity, the proposed definition is approved.

(x). The MBPT has proposed a note to the effect that composite charges are levied in lieu of Port Dues, Composite towage and pilotage charges, anchorage charges, tug and mooring launch charges and are applicable for a period upto 36 hours and that any stay beyond 36 hours will be on Pro-Rata basis. Since the proposed note gives clarity on the components forming part of the composite vessel related charges, the said note is approved.

(xi). The MBPT has proposed a note to the effect that since there will be no lighterage of cargo in barges as such, wharfage in lieu of lighterage will be levied treating this as satellite berth operations as per schedule of docks wharfage on goods 3.1 (A) Rate No. 18 based on CIF value declared for both inner anchorage and PLA operations separately, in addition to above composite charges. As discussed earlier, prescription of wharfage charges on the CIF value of vessels and crafts loaded on board the FLO-FLO vessels, has been approved. The above said note brings out this position. The proposed note is also therefore approved.

(xii). The MBPT has also proposed a note to the effect that as soon as cargo on board (vessels/ crafts) is offloaded at anchorages, offloaded vessel / craft will be a separate vessel and all applicable port charges will be recovered. With regard to the proposed note, the MBPT has clarified that when a vessel/ structure is carried on board FLO-FLO vessel, it will be considered as cargo. But once the vessel/ structure is discharged and the FLO-FLO vessel sails off, the discharged vessel/ structure will be put to use as a vessel and that thereafter, all charges incidental to the vessel i.e. vessel related charges such as port dues, anchorage etc. are to be levied on her. Since the proposed note gives clarity and avoids ambiguity, the proposed note is approved.

(xiii). Orders of this Authority generally come into effect prospectively after expiry of 30 days from the date of Gazette Notification unless otherwise different arrangement is specifically mentioned in the respective tariff Orders. Accordingly, this Authority is inclined to grant approval for levy of composite Vessel related charges and wharfage charges prospectively after the expiry of 30 days from the date of notification of this Order passed in the Gazette of India.

9.1. In the result, and for the reasons given above, and based on a collective application of mind, this Authority accords approval for insertion of the following provisions in the existing scale of rates of MBPT :

"1. Section 1.1: Definitions

(**xxxiii**). "Float On-Float Off (FLO-FLO) vessels means Semi-submersible heavy lift ships having a long and low well deck between accommodation area located forward and an aft machinery space. In appearance, it looks similar to a gearless bulk carrier or oil tanker. Its ballast tanks can be flooded to lower the main deck below the water's surface, allowing oil platforms, other vessels, or other floating cargo to be moved into position for loading (float-on/float-off). The ballast tanks are then pumped out and the main deck rises to take the load of cargo. Float-on / float-off vessels transport vessels, rigs from one site to another. They also transport other oversized cargo and yachts.

2. Section 2.21: <u>Composite Vessel Related Charges for FLO-FLO operations</u>:

	Location	Slab (GRT of the Mother Vessels)	Charges (US $)
A.	Port Lighterage Anchorage Area	Upto 25000	40000
		25001 and above	50000
B.	Inner Anchorage	Upto 25000	50000
		25001 and above	60000

Notes:

(i). The above charges are levied in lieu of Port Dues, Composite towage and pilotage charges, anchorage charges, tug and mooring launch charges and are applicable for a period upto 36 hours. Any stay beyond 36 hours will be on Pro-Rata basis.

(ii). Since there will be no lighterage of cargo in barges as such, wharfage in lieu of lighterage will be levied treating this as satellite berth operations as per schedule of docks wharfgae on goods 3.1 (A) Rate No. 18 based on CIF value declared for both inner anchorage and PLA operations separately in addition to above composite charges.

(iii). As soon as cargo on board (vessels/ crafts) is offloaded at anchorages, offloaded vessel / craft will be a separate vessel and all applicable port charges will be recovered.

3. Chapter III: CARGO RELATED CHARGES

3.1(A) : Schedule of docks wharfage on goods:

Rate No.	Description of Goods	Basis of Charges	Foreign		Coastal	
			Dry Bulk	Other than dry bulk	Dry Bulk	Other than dry bulk
18	Vessels and Crafts	Advalorem	-	1%	-	0.60%

”

9.2 The MBPT is directed to suitably incorporate the above provisions in its Scale of Rates.

9.3. The above prescriptions shall come into effect after expiry of 30 days from the date of notification of this Order in the Gazette of India and shall remain co-terminus to the validity of the existing Scale of Rates of MBPT. The approval accorded shall automatically lapse unless specifically extended by this Authority.

(T.S. Balasubramanian)
Member (Finance)

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.

TAMP/61/2019-MBPT	**:**	**Proposal received from the Mumbai Port Trust (MBPT) for fixation of charges for Float On - Float off vessels operations at Mumbai Port Anchorage.**

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A joint hearing on the case in reference was held on 28 February 2020 at the office of the Authority in Mumbai. At the joint hearing, MBPT made a brief power point presentation of its proposal. The MBPT and the users/ user organisations have made the following submissions during the joint hearing:

Mumbai Port Trust (MBPT)

(i). Briefly explained the Float On/ Float Off operation, envisaged to be carried out at the MBPT.

(ii). The proposal is to replace the existing fees.

(iii). The services are expected to be rendered on rare occasions. Income to be generated from the said operation is not known as of now. But, even then, it will be within the ARR gap available.

MANSA

(i). A Composite Vessel Related Charge has been proposed. Is it inclusive of all VRC?

(MBPT: Yes.)

(ii). How does the proposed rate fare against the existing individual components?

(MBPT: It will depend on the individual rates as prescribed in the existing SOR of MBPT.)

(iii). Is the proposed rate comparable to rates for similar operations at other ports?

(MBPT: We are not aware of rates prevailing at other places. However, the rates proposed by us have been worked out based on straight forward method in a transparent manner.)

(iv). On what will the advalorem wharfage rate of 1% be levied?

(MBPT: It will be levied on the value of the vessel as indicated in the Shipping bill.)

(v). Determining the value of the vessel will be difficult. It could be an old vessel. How can the value be determined in such instances? This aspect needs to be looked into by the port.

(vi). The port has stated that it anticipates rendering the services only on rare occasions. However, the port should strive to attract more such vessels by levying less charges.

(vii). Where neither the wharf will be used nor any facility of the port will be used, then why should the port levy wharfage charge?

(MBPT: We can have a different nomenclature.)

(viii). Considering levy of wharfage on the value of the vessel is tedious. We can give calculations to MBPT to levy wharfage on absolute terms.

[MBPT : We will examine the proposal of MANSA].

2.1. As brought out in the joint hearing proceedings above, the MANSA had objected to the wharfage proposed on Advalorem basis and had agreed to propose wharfage in absolute terms supported by calculations. In this regard, the MBPT had also agreed to examine such a proposal.

2.2. Accordingly, the MANSA was requested vide letter dated 11 March 2020 to furnish the wharfage in absolute terms supported by calculations to MBPT and its comments. The MANSA responded vide its e-mail dated 16 March 2020 and the same was forwarded to MBPT vide letter dated 18 March 2020 for its specific comments. The MBPT vide its e-mail dated 8 September 2020 has responded. The comments received from MANSA and the response of MBPT thereon is tabulated below:

Sl. No.	Comments received from MANSA	Reply furnished by MBPT
(i).	Some Float on / off operations were done at Jamnagar and also at Chennai Port in the stream without touching the wharf or coming inside the dock. No wharfage was collected by those ports except vessel related tug charges, pilotage and anchorages. Hence, wharfage as per this past experience is not leviable. It can be seen that question of levy of wharfage on operations in the stream without berthing of the vessel alongside any wharf is absolutely unreasonable and untenable. Therefore, no such levy of wharfage for working in stream by float on / float off operations should be prescribed. If at all it is felt necessary for port to neutralize its downward revenue, it may be considered to be levied for such vessels that will be permitted float on / off operations inside docks or alongside a wharf which should be reasonable based on the authentic calculations while arriving at the rate and should be on sound footing. The amount of levy being considered may be preferably on tonnage basis or on slabs of weights with a cut-off on top and not at all at ad-valorem as suggested by the Port which is very uneconomical and it would have discouraging affect.	In this operation Lighterage dues (as per clause 2.2 of SOR) on mother vessel discharging cargo (vessel) in stream/ PLA will not be levied as cargo (vessel) is subsequently brought at Mumbai Port. Hence, cargo attracts wharfage charges. Further, it is explained at para 5 of TR No, 137 of 24.09.2019 that since there will be no Lighterage of cargo in barges as such, Wharfage in lieu of Lighterage can be levied treating this as satellite berth operations.

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