

# **STEVEDORING AND SHORE HANDLING POLICY FOR MAJOR PORTS**

## **1. Definition**

- Stevedoring includes loading and unloading and stowage of cargo in any form on board the vessels in Ports;
- Shore Handling includes arranging and receiving the cargo to/from the hook point, Inter modal transport from wharf to stackyard and vice-versa and also receiving and delivering of cargo from/to wagons/trucks;

## **2. Scope**

The policy shall cover the following activities:-

- (i) Stevedoring activities undertaken by the port and/or licensed Stevedore in a Major Port
- (ii) Shore handling activities undertaken by the port and/or licensed Shore Handling Agents or by agents under any other name.

The Stevedoring and Shore handling may cover the activities on board and on shore respectively. Stevedoring and Shore Handling of vessels in Major Ports may be carried out by a single agency, as far as possible.

**No Agency shall undertake to perform these activities in a Major Port unless and until they are issued a valid licence by the Port for the purpose.**

## **3. Stevedoring and Shore Handling Charges**

- i. TAMP shall notify the normative tariff for Stevedoring and Shore Handling activities, separately for mechanized and manual operations for the Major Ports based on a set of Guidelines to be issued to TAMP. These Tariff shall be ceiling tariff. With regard to Kamarajar Port, the Board of Directors may fix the same based on the above principles. In case of any change in Role for TAMP in future, Boards of Major Ports will fix and notify the Rates based on the same principles. This will also apply to Mumbai Port and Haldia where stevedoring is carried out by the Ports.
- ii. Port Trust shall go in for an open and transparent auction system based on the TAMP notified tariff to give licenses for Stevedoring and Shore Handling on

revenue sharing basis for a period of 3 years. All eligible applicants who are ready to match the highest revenue share shall be given licenses. The Stevedoring and Shore Handling agents have to charge the rates from their principals, not exceeding the ceiling tariffs notified by TAMP.

- iii. The Port Trusts should be liberal in issuing licenses to Stevedoring and Shore Handling agents to ensure adequate competition. Even after the auction, if any firm satisfying the eligibility conditions is ready to match the highest revenue share discovered in the auction, such firm may be given a license. As competition increases, the cost of transaction to the trade and the quality of services will also improve.

#### **4. License for Stevedores & Shore Handling Agents**

Port Trusts shall frame & notify regulations for licensing of Stevedoring and Shore Handling Agents instead of only Stevedores as at present. The Major Port Trusts shall host the Stevedoring and Shore Handling regulations in their web site and any eligible firm which fulfils the eligibility criteria can apply for license at any time on-line along with requisite documents. The stevedoring and shore handling licenses shall be issued by the ports, in case the firm fulfils the following criteria:

- (i) It shall be a Company registered under Companies Act or a partnership firm or any other legal entity.
- (ii) It shall deposit security amount of at least Rs. 5 lakhs to meet any contingency which shall be refunded without interest after adjusting the claims, if any, when the licensee ceases to operate.
- (iii) The Stevedoring and Shore Handling agent shall undertake to provide equipment/gear required for both the operations as specified by the Port Trust Board.
- (iv) The Stevedoring and Shore Handling agents shall undertake to employ at least 6 supervisory personnel with minimum two years of cargo handling/ stowage experience for undertaking both the functions. Their profiles have to be enclosed along with the application.
- (v) The fee for issue/renewal of license shall be on payment of a minimum application fee of Rs. 50,000 for one year or part of a year, which may be revised from time to time by the Port Trust Board.
- (vi) Major Port Trusts have to ensure that enough competition prevails in Stevedoring and Shore Handling activities in their ports.

## **5. Validity / Renewal of licence**

- (i) The license will be valid for a period of three years from the date of issuance of licence.
- (ii) The Daily performance Report in the prescribed format shall be submitted by the Stevedoring & Shore Handling agent to the Traffic Department online.
- (iii) Besides a quarterly /half yearly review of performance of Stevedoring & Shore Handling agent in terms of productivity achieved by them, compliance of terms and conditions of the licence issued to them, safety norms followed by them will be monitored by Traffic Manager and a report to be submitted to the Chairman.
- (iv) On such a review, if the Traffic Manager finds any default on the part of Stevedoring & Shore Handling agent, he shall cause to issue warning in the event of first default and in the event of second default, the license of the Stevedoring & Shore Handling agent shall be liable to be cancelled, apart from levying penalties..
- (v) At the end of three years, the license shall be renewed strictly on the basis of above mentioned performance reports.
- (vi) Application as per the prescribed proforma of the port for renewal of Stevedoring & Shore Handling license shall be made at least three months before the expiry of the license.
- (vii) If the Stevedore & Shore Handling agent fulfils the required conditions and is eligible for renewal but awaiting safety clearance before expiry of the license period, Port may permit the Stevedoring operation by executing an Indemnity bond.

## **6. Migration to the new Stevedoring and Shore Handling Scheme :**

The new Stevedoring and Shore Handling Scheme will come into effect in all Major Ports not later than 1<sup>st</sup> April, 2016. The existing Stevedoring Agents will have to switch over to the new Stevedoring and Shore Handling Scheme from that date and they shall pay the highest revenue share discovered by the Port Trusts through the auction and also charge the ceiling tariff to be fixed by the TAMP. If they do not switch over to the new scheme, the licence shall be terminated by the Port Trusts by giving due notice as envisaged in the Regulations. The Ports shall ensure that migration to the new Stevedores & Shore Handling Scheme is done by following the statutory provisions under the existing Regulations.

However, the above Scheme will not be applicable to Haldia Dock Complex, since a similar scheme based on the Auction system has been introduced for two years from April, 2015 and is valid till March, 2017. Therefore, this Scheme will be made applicable after expiry of the existing Scheme i.e. from April, 2017 for Haldia Dock Complex alone.

## **7. Duties & Responsibilities**

Individual port may prescribe duties, responsibilities and performance parameters of Stevedores & Shore Handling agents to ensure the safe and efficient handling as per their Stevedoring & Shore Handling Licensing Rules, keeping in view the following basic criteria :

- (i) Stevedore & Shore Handling agents shall comply with applicable safety norms in relation to such operations and with the applicable statutes regarding labour.
- (ii) Stevedore & Shore Handling agent shall indemnify the Board against all third party claims arising out of such operations.
- (iii) Whenever casual workers are deployed, the Stevedore & Shore Handling agents should ensure that such workers are covered by the insurance policy.
- (iv) If any gear, plant or any other property of the Board is damaged in the course of stevedoring and shore handling operation the Stevedore and Shore Handling agent shall compensate the Board for such loss or damage.
- (v) Stevedore & Shore Handling agent shall deploy necessary equipment as indicated by the Port in the license.

- (vi) Stevedore & Shore Handling agent shall achieve the performance standards fixed by the Port.
- (vii) The Stevedore & Shore Handling agencies shall publish their tariff along with break up in their web sites and in the website of the Port.

**8. Cancellation / Suspension of license**

- A) The port may at any time suspend or cancel the license issued to a Stevedore & Shore Handling agent for violation of any of the terms of license or for any reasons listed below :
  - (i) The CEO of the Stevedoring and Shore Handling firm has been convicted by the Court of any offence involving moral turpitude and sentenced in respect, thereof, to imprisonment for not less than six months, and a period of five years has not elapsed from the date of expiry of the sentence.
  - (ii) The firm handles less than the minimum guaranteed throughput/the prescribed parameters as fixed by the port for consecutively 2 years.
  - (iii) The firm does not achieve the performance standards prescribed in the license on an average over a period of 3 months.
  - (iv) Violates safety regulations and mandatory Dock Safety measures
  - (v) Adopts improper and unsafe handling methods.
  - (vi) Misrepresents or misstates material facts
  - (vii) Adjudged insolvent or going into liquidations
  - (viii) Transfer the stevedoring operations or sublets the license to any other individual or parties
  - (ix) Violates security related rules & instructions like ISPS code compliance.
  - (x) Any misconduct which in the opinion of the Board warrant such cancellation or suspension
  - (xi) Indulges in illegal/corrupt practices.
- B) Provided that no such license shall be cancelled or suspended as the case may be until the holder of the license has been given a reasonable opportunity for

showing cause why his license should not be cancelled or suspended as the case may be.

**9. Appeal**

Any person aggrieved by any order relating to cancellation/suspension/refusal to issue licenses, may prefer an appeal in writing to the Chairman of the concerned port or any other higher authority, as the case may be, within 30 days of the communication of the order appealed against.

**10. Deployment of workers from Port / DLBs / License Holder or outside**

Existing practice of deploying port labour by Stevedore and Shore Handling agents may continue. In case the port is unable to supply the requisite workers against the requisition placed by Stevedore and Shore Handling agent, the port may allow the Stevedore and the Shore Handling agent to make their own arrangement for this purpose. No notional booking or levying of charges should be made and agents shall not be levied any charges for labour, in case the Port Trust does not supply the labour.

**9. Datum, Norms for Productivity, etc.**

Datum, Norms for Productivity, rate of incentive, etc. may be determined by the ports from time to time ,duly taking cognizance of the performance parameters during last 3 years.

**11. Training, Use of Modern Technology**

The personnel deployed in Stevedoring & Shore Handling activities shall be trained in modern methods of cargo handling for improving the productivity, efficiency and safety. It is suggested that such specialized training courses for the Stevedoring and the Shore Handling operation may be introduced in Indian Maritime University.

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