

Minutes of the 120th Meeting of the National Shipping Board held at “GateWay Hotel”, Mangalore on 3rd November, 2012.

The 120th Meeting of the National Shipping Board (NSB) was held under the Chairmanship of Capt. P.V.K. Mohan on 3rd November, 2012 at Gateway Hotel, Mangalore. The list of participants is enclosed at Annexure – I.

2. At the outset, Dr. P. Tamilvanan, Chairman, New Mangalore Port Trust welcomed the Chairman, Hon’ble M.P, Members of the NSB and Special invitees. Thereafter he made a detailed presentation on the ‘Safety Security and Environment protection’ at New Mangalore Port Trust. He informed that during the year 2011-12, Port handled 32.94 million m.t. of cargo as against 31.55 million m.t. There has been substantial growth in Coal, LPG and Container traffic. The container traffic has increased to 45,009 TEUs from 40,158 TEUs in 2010-11. The LPG traffic has increased to 2.07 million tonnes as against 1.91 million tonnes in 2010-11. He stated that due to vigorous marketing efforts, Port has been able to attract more cargo. For its efforts in developing greenery, Port has been awarded Greentech Gold Award in October, 2012.

2.2 Chairman, NMPT informed that there is no fishing harbor near the port and the local fishermen have been insisting for allowing their fishing boats inside the Port during monsoon and adverse weather conditions for shelter. This is posing problems for Port operations and safety aspects as large quantity of LPG and other hazardous cargo are handled. A location has been identified with the help of CWPRS for commissioning of Fishing Harbour and preliminary studies have been carried out. However, the project has to be taken up by the State Govt. through financing by the Ministry of Agriculture, GOI. He requested NSB could recommend to Govt. to expedite the implementation.

3. Thereafter, Chairman, NSB Capt. P.V.K. Mohan welcomed the Hon’ble Members of the Board and special invitees. He thanked Chairman, NMPT for the excellent arrangements for hosting the meeting and for this presentation. He also complimented the Chairman for the initiatives taken in developing the Port and for creating clean environment at the Port and construction of cruise terminal. Regarding Fishing harbor, he stated that some other ports are taking similar

initiatives, especially Vizag and Chennai. Agriculture Ministry is aware of the project and the NSB would suitably recommend to Govt. for early implementation.

3.1 He briefly dwelt on discussion held during last meeting e.g. IT exemption for Indian seafarers, CISF deployment at existing and new ports, setting up of IMS- Broad contours, up gradation of Navigational aids and associated safety and security issues of Ports and Issues on major Ports vis-a-vis minor Ports. . He informed that there have been developments as far as IT exemption is concerned. The Union Minister of Shipping has been apprised in the matter and the matter has been taken up with the Finance Minister. Regarding IMS, he stated that detailed proposal for setting up IMS has to be prepared and submitted to the Min. of Shipping. It is expected that the Hon'ble Minister may make announcement on this issue in the next meeting. Regarding up gradation of navigational aids and associated safety and security issues of Ports, Chairman NSB informed that the VTS authority at local Port level and Competent authority at national level has to be set up for monitoring the VTS. Further, IPA should depute officers to kandla Unit of DGLL for VTS training. For safety of the Indian coast, he stated that though two ETV one each on the east and west coast, were proposed, so far only one ETV has been deployed.

3.2 The Chairman also informed that there have been series of debates on the role of major Ports and comparison between major and non-major ports. The role of TAMP has also come under serious review and there is need to examine these issues with the aim to facilitate trade. He added that Ports safety & environment issues, in coastal shipping would be discussed in the meeting.

4. Thereafter, the Confirmation of the last Minutes of the meeting was taken up and Capt. H. Khatri, Member Secretary informed that the Minutes were circulated and no comments have received. The Minutes of the last meeting were therefore confirmed without any further discussion.

5. **Action taken report** – on decisions of 119th meeting.

5.1 Deployment of CISF at existing ports: Directions have been given by the Ministry of Shipping.

5.2 Setting up of IMS – There is need to involve DGLL representative in developing a concept paper.

5.3 Training on VTS :

Mr. D.K. Sinha, Dy. Dir. General, DGLL informed that they had conducted training in Kandla for VTS supervisor course. However, participation was not encouraging for VTS operators and VTS Supervisor Courses.

Chairman, NMPT opined that if the training is conducted at a convenient place, e.g. Mumbai, more staff could be deputed. Mr. D.K. Sinha, informed that the VTS Centre at Kutch is a state of art centre and is functional 24 X 7 and it is important that the training is conducted on-site.

Capt. H. Khatri, informed that the formation of VTS authority for the Gulf of Kutch is long overdue and needs to be expedited.

Capt. M.M. Saggi, Nautical Advisor to the GOI, explained that the local authority which operates the VTS is the 'VTS authority'. The VTS authority functions as per the laid down Rules. Additionally, a 'Competent authority' needs to be set up which is entrusted with framing of Rules/guidelines for uniform implementation across the country. This Govt. body would be a consisting of DG Shipping, DGLL, CHO etc.

Capt. P.V.K. Mohan, Chairman, NSB stated that there is an urgent need for up-gradation of VTS in majority of the Ports including New Mangalore Port. He further stressed on the need for more autonomy to be given to the Chairman of major Ports and eventually the Ports should try for Mini Ratna status. However, till such time, more executive powers should be vested with the Chairman of the Ports. Capt. M.M. Saggi, Nautical Adviser to the GOI informed that the Ports are in shortage of Pilots and are finding it very hard to engage Pilots. Further, it takes a lot of time for obtaining Pilotage licence due to procedural requirements, such as taking Govt.'s approval etc. Shri Gautam Chatterjee, D.G. Shipping stated that these are the jobs which require decisions at the level of Chairman and therefore needs to be delegated to the Chairman.

6. Agenda Points:**a) Safety, security and environment protection at New Mangalore Port Trust.**

As per para (2) above.

b) Initiatives for development of Coastal Shipping.

Shri Bhalla, ICC Shipping Association made a detailed presentation on the Initiatives for development of Coastal Shipping. He explained that Coastal shipping is one of the most efficient and cost effective and non-polluting, environment friendly mode of transport, contributing for door to door multimodal transport. India has a Coast line of 7500kms. and 5 states on west coast, 4 states on east cost and Andaman Nicobar Islands, Lakshadweep island are dependent on coastal shipping.

He brought out in detail, the tonnage handled, analysis of fleets in Coastal shipping, challenges faced by the Coastal Shipping, initiatives taken and recommendations for improving the Coastal shipping in his detailed presentation. He highlighted the shortage of manpower on coastal vessels.

Shri Sandeep Chandra, Member NSB was of the view that to overcome shortage of manpower people could be engaged from the fishing community by imparting necessary training. Shri Bhalla replied that the issue was recently discussed in a seminar at Mumbai and DGS is ceased with the issue.

Shri. Gautam Chatterjee, D.G. Shipping referred to the presentation made by Mr. Bhalla & enquired if Coastal shipping is the cheapest mode of transport then why it is that only 7% of cargo is being moved by this mode of transport?

Shri Bhalla clarified that the number of ships has not increased on the coastal run and even when the ships are run only for coastal trade, it

does not get continuous supply of cargo. He suggested that for coastal shipping to be made economical, Govt. should consider giving some kind of cross subsidy.

Shri Hazara, CMD, SCI was of the view that even though coastal movement is the cheapest transport, but the problem in India is that coastal shipping and IWT has not been developed sufficiently. So the trade is used to move the cargo by road and rail. To shift the cargo from rail and road to water transport, people should be confident that the cargo will reach in time. He also indicated that in most parts of the rivers, the draft is very low, even though some national water ways claim that the draft is 2.5 mtrs., actually it is not the case. For improving Coastal shipping, it requires investment, as we invest in roads and rails which will not come from the private sector, unless it is made attractive.

Capt. P.V.K. Mohan, Chairman, NSB also referred to the cargo imbalance in coastal shipping and investment in coastal shipping by the Govt. He indicated that they have been putting pressure on respective Ministries like Coal, Fertilizer and Food Ministry to move as much possible cargo through water transport. In this regard awareness has to be created and once the movement is started the cargo develops. Shri Gautam Chatterjee, DGS suggested that Indian ships to be made more competitive and level playing ground should be created. Shri. Hajara, CMD, SCI stated that he do not agree with DGS on 'first rejection policy' as far as Indian ships are concerned. Many countries do not allow FDI in transport, then why should we have level playing ground.

Shri Hazara, CMD, Stated that India has in terms of volume, 8% of the total global trade. However, the fact is that we have 1% of the world tonnage to move the 8% world trade. He explained that there is a need to facilitate our industries to invest. He further opined that for the shipping industry, we need cargo which India has, but we also require

competence. In terms of seafaring competence, managerial competence, Indian seafarers are considered one of the best. The third element is the capital. Capt. Saggi suggested for long term agreement with Indian Oil companies, Fertilizer companies.

Summing up the discussion, Capt. Mohan stated that the report on coastal shipping may be awaited for taking further action.

c) Update on Piracy.

Capt. Harish Khatri, informed that as far as piracy is concerned, there is a good news that in the last nine months of this year, the piracy activity has been the lowest since 2009 but the bad news is that several incidents of piracy on the Nigerian Coast are being reported. He explained that there is difference between the Somali Piracy and Nigerian Piracy; on the Nigerian coast, the piracy is more of armed robbery on the oil and chemical tankers where the armed robbers board ships and steal cargo whereas the Somalian Pirates hijack ships for ransom.

He further informed that though there have less attacks during the present year (70 attacks as compared to the 199 during the same time in 2011), however, there are at present 11 ships with 167 seafarers still being held captive by the Somali Pirates. In addition, there are 21 crew who are held on the shore for more than 30 months. As far as the Indians are concerned, out of the 167, total of 36 Indian sea-fearers are on 4 ships and 7 more Indian sea-fearers who are held ashore, which makes a total of 43 Indian sea-fearers.

Capt khatri informed that one of our major concern is about the additional insurance cost (which is passed on to Indian consumers thereby increasing transaction cost) to vessels arriving or departing from Indian ports due to the extended High Risk Area (HRA) up-to 78 deg

East. He explained that the additional insurance cost is in the range of US\$ 220,000 to 360,000 per day for ships arriving/leaving Indian ports. He further informed that this matter has been taken up very strongly at the IMO and also at the CGPCS (Contact Group on Piracy off the Coast of Somalia).

Capt. Khatri has informed that Government is considering the deployment of CISF personnel as armed guards on Indian ships and in this respect two versions of MOUs between INSA and CISF have been exchanged. Shri Hazra informed that INSA is an association and therefore it would not be feasible for INSA to engage in contract with CISF on behalf of ship-owners.

Shri R.M. Sharma, DIG, Coast Guard informed about the efforts made towards countering the piracy. He informed that till date, IN had ships in the Gulf of Eden and foiled 40 piracy attempts and that no ship under the Indian escort has been hijacked.

d) Expanding Role of IRS.

Capt. S. Kumar, COO, IRS made a detailed presentation on the activities of IRS and their certification process. Capt.P.V.K. Mohan, Chairman, NSB enquired about the present manpower of IRS and the requirement that may be needed for auditing of the Ports with regard to preparedness for safety & environment protection. Capt. S. Kumar confirmed their readiness to carry out the required survey of the ports.

e) Agenda items submitted by Dr. R. Rajamohan:

- i) Part of Saving of Port Income to be deposited in Employees Co- operative Society.**

Dr. Rajamohan informed that presently deposits are being made in the public sector banks and there is need to also allow income from the savings of the ports to be deposited to port employee's co-op. Societies. Shri. Hajara, CMD, SCI stated that this is a matter of Finance Ministry as the investment of Port funds, comes under the jurisdiction of the Finance Ministry.

ii) Establishment of Seafarers Club on all Major and Minor Ports.

Dr. Rajamohan informed that there is a need for establishment of Seafarers club in all Ports. Chairman, NSB agreed with the suggestion.

iii) Sanction of One-time lump-sum grant to legal heirs of deceased employees.

Dr. Rajamohan informed that there is a need to disburse one time lump sum financial assistance to the legal heirs of the deceased employees. Capt. Mohan, Chairman, NSB replied that concerned ports may send their proposals for examination.

Shri Ramachandran, Chairman, AMET brought to the notice of the Chairman, NSB and DG Shipping to find out a solution for training of cadets, as around 4000 boys are waiting for onboard training slots. Shri Gautam Chatterjee, DG(S) stated that the Ministry has set up a Committee which will look into these issues.

Shri A.G.S. Ram Babu, Member NSB, informed that there is lot of possibilities for development of Kollachal Port and suggested that the NSB should consider setting up expert Committee for development of the Kollachal Port. He explained that because of Chennai, Tuticorin and Ennore Ports, Tamilnadu is getting good industrial development. By developing Kollachal, districts up to Kanyakumari Dist. will also develop.

Shri Babu suggested that security measures should be strengthened at Kudunkulam to prevent anti-social elements from creating trouble.

Capt. Mohan stated that the points are well noted and the Member is already aware of the initiative of the Shipping Ministry. He further informed that Govt. would like to develop one additional port in each of the Maritime State and two projects, one each at West Bengal and Andhra Pradesh are already on fast track. Concluding the meeting, Chairman, NSB thanked Hon'ble members of Parliament and other members and special invitees for their valuable contribution and recapitulated the deliberation in the following resolution of the Board.

7. Resolutions of the 120th Meeting of National Shipping Board:

- a) The proposal of NMPT for construction of a fishing harbor 25 kms north of NMPT needs to be expedited.

(Action:- NMPT / MoS)

- b) Considering increase in shipping casualties in recent times on the eastern and west coast, it is essential that at least two ETVs are to be deployed, one at East Coast and one at West coast of India, ideally to be positioned at Mumbai and Chennai respectively.

(Action:- MOS/DGS)

- c) Ports are encouraged to depute their pilots for VTS training, with some financial incentives, for VTS training conducted DGLL.

(Action:- IPA)

- d) Financial and executive Powers of the Ports needs to be enhanced and the pilotage licence for Pilots should be issued by the port chairman.

(Action:- IPA / MoS)

e) Govt. should ensure Setting up of sea- farers club at every major and non major Ports.

(Action:- DGS/MOS)

The Meeting ended with vote of thanks to the Chair.