

Cabinet approves replacement of ‘Major Port Trusts Act, 1963’ with ‘the Major Port Trust Authorities Bill, 2016’

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has approved the proposal of Ministry of Shipping to replace the Major Port Trusts Act, 1963 by the Major Port Authorities Bill, 2016. This will empower the Major Ports to perform with greater efficiency on account of full autonomy in decision making and by modernizing the Institutional structure of Major Ports.

With a view to promote the expansion of port infrastructure and facilitate trade and commerce, the proposed bill aims at decentralizing decision making and to infuse professionalism in governance of ports. The new Major Ports Authority Bill, 2016 would help to impart faster and transparent decision making benefiting the stakeholders and better project execution capability. The Bill is aimed at reorienting the governance model in central Ports to landlord port model in line with the successful global practice. This will also help in bringing transparency in operations of Major Ports.

The proposed Bill has been prepared after extensive consultation with all the stakeholders and Ministries/Departments. The salient features of the Major Ports Authority Bill are as under:

- [a] The Bill is more compact in comparison to the Major Port Trusts Act, 1963 as the number of sections has been reduced to 65 from 134 by eliminating overlapping and obsolete Sections.
- [b] The new Bill has proposed a simplified composition of the Board of Port Authority which will comprise of 11 members from the present 17 to 19 Members representing various interests. A compact Board with professional independent members will strengthen decision making and strategic planning. Provision has been made for inclusion of representative of the State Government in which the Major Port is situated, Ministry of Railways, Ministry of Defence and Customs, Department of Revenue as Members in the Board apart from a Government Nominee Member and a Member representing the employees of the Major Ports Authority.

- [c] The role of Tariff Authority for Major Ports [TAMP] has been redefined. Port Authority has now been given powers to fix tariff which will act as a reference tariff for purposes of bidding for PPP projects. PPP operators will be free to fix tariff based on market conditions. The Board of the Port Authority has been delegated the power to fix the scale of rates for other port services and assets including land.
- [d] An independent Review Board has been proposed to be created to carry out the residual function of the erstwhile TAMP for Major Ports, to look into disputes between ports and PPP concessionaires, to review stressed PPP projects and suggest measures to review stressed PPP projects and suggest measures to revive such projects and to look into complaints regarding services rendered by the ports/private operators operating within the ports would be constituted.
- [e] The Boards of the Port Authority have been delegated full powers to enter into contracts, planning and development, fixing of tariff except in national interest, security and emergency arising out of inaction and default. In the present MPT Act, 1963 prior approval of the Central Government was required in 22 cases.
- [f] Empowers the Board to make its own Master Plan in respect of the area within the port limits with reference to Pipelines, Telephones, Communication towers, electricity supply or transmission equipments. The Board is empowered to lease land for Port related use for upto 40 years and for any purpose other than the purposes specified in section 22 for upto 20 years beyond which the approval of the Central Government is required.
- [g] Provisions of CSR & development of infrastructure by Port Authority have been introduced.

AKT/VBA/SH

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