

**ESTIMATES COMMITTEE
(2002-2003)**

(THIRTEENTH LOK SABHA)

THIRTEENTH REPORT

MINISTRY OF SHIPPING

(Action taken by Government on the recommendations contained in the Ninth Report of Estimates Committee (Thirteenth Lok Sabha) on the Ministry of Shipping – ‘Expansion and Modernisation of Ports with special reference to Mormugao Port Trust’)

Presented to Lok Sabha on 22.4. 2003

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2003/Vaisakha , 1925 (S)

C O N T E N T S

COMPOSITION OF THE ESTIMATES COMMITTEE (2002-2003)

INTRODUCTION

CHAPTER I Report

***CHAPTER II Recommendations/Observations which have been accepted by Government**

***CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies**

***CHAPTER IV Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee**

***CHAPTER V Recommendations/Observations in respect of which final replies of Government are still awaited**

APPENDICES

I. Minutes of sitting of the Estimates Committee (2002-2003) held on 21.3.2003

II. Analysis of the action taken by Government on

**the recommendations/observations contained
in the Ninth Report of Estimates Committee
(Thirteenth Lok Sabha)**

***Not appended**

COMPOSITION OF THE ESTIMATES COMMITTEE
(2002-2003)

Prof. Ummareddy Venkateswarlu – Chairman

MEMBERS

2. Shri Ramchander Baina
3. Shri S. Bangarappa
4. Shri Surendra Singh Barwala
5. Shri Lal Muni Chaubey
6. Shri Ezhilmalai Dalit
7. Smt. Sheela Gautam
8. Shri Shankar Prasad Jaiswal
9. Shri Shriprakash Jaiswal
10. Shri N.N. Krishnadas
11. Dr. C. Krishnan
12. Shri P.R. Kyndiah
13. Shri Samik Lahiri
14. Shri Sanat Kumar Mandal
15. Shri Manjay Lal
16. Shri Ram Nagina Mishra
17. Shri Shyam Bihari Mishra
18. Shri Subodh Mohite
19. Prof. Rasa Singh Rawat
20. Shri G. Ganga Reddy
21. Shri Dileep Sanghani
22. Shri Abdul Rasheed Shaheen
23. Shri Chandra Bhushan Singh
24. Shri Maheshwar Singh

25. Shri Rampal Singh
26. Shri Kodikunnil Suresh
27. Shri Lal Bihari Tiwari
28. Shri Shankersinh Vaghela
29. Shri D. Venugopal
30. Shri Rammurti Singh Verma

SECRETARIAT

- | | | | |
|----|-----------------|---|--------------------|
| 1. | Smt. P.K.Sandhu | - | Joint Secretary |
| 2. | Shri A.K. Singh | - | Director |
| 3. | Shri Cyril John | - | Under Secretary |
| 4. | Shri N.C. Gupta | - | Assistant Director |

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Thirteenth Report on action taken by Government on the recommendations contained in the Ninth Report of Estimates Committee on the Ministry of Shipping – 'Expansion and Modernisation of Ports with special reference to Mormugao Port Trust'.

2. The Ninth Report (Thirteenth Lok Sabha) was presented to Lok Sabha on 30th April, 2002. The Government furnished their replies indicating action taken on the recommendations contained in that Report by 31st January, 2003. The Draft Report was considered and adopted by Estimates Committee (2002-03) at their sitting held on 31st March, 2003.

3. The Report has been divided into the following Chapters:

- I. Report;
- II. Recommendations/Observations which have been accepted by Government;
- III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies;
- IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee; and

V. Recommendations/Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in the Ninth Report of Estimates Committee (Thirteenth Lok Sabha) is given in Appendix II. It would be observed therefrom that out of 11 observations/recommendations replies to which have been furnished by the Government, 5 recommendations i.e., 45.5% have been accepted by Government. Committee do not desire to pursue 1 recommendation i.e., 9% in view of reply furnished by the Government. Replies of Government in respect of 5 recommendations i.e., 45.5% have not been accepted by the Committee.

NEW DELHI

April 8, 2003

Chaitra 18, 1925(S)

UMMAREDDY VENKATESWARLU,

Chairman,

Committee on Estimates.

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by Government on the recommendations contained in their Ninth Report (Thirteenth Lok Sabha) on the Ministry of Shipping – Expansion and Modernisation of Ports with special reference to Mormugao Port Trust.

1.2 The Committee's Ninth Report (Thirteenth Lok Sabha) was presented to Lok Sabha on 30th April, 2002. It contained 11 observations/recommendations. Action Taken Notes on all these observations/recommendations have been received from the Ministry of Shipping.

1.3 Replies to the observations and recommendations contained in the Report have broadly been categorised as under :-

- (i) Recommendations/Observations which have been accepted by the Government :

Sl. Nos. 1, 4,7, 9 and 11

(Total 5 , Chapter II)

- (ii) Recommendation/Observation which the Committee do not desire to pursue in view of Government's reply :

Sl. No. 6

(Total 1, Chapter III)

- (iii) Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee :

Sl. Nos 2, 3, 5, 8 and 10

(Total 5, Chapter IV)

- (iv) Recommendation/Observation in respect of which final reply of Government is still awaited :

NIL

(Total NIL, Chapter V)

1.4 The Committee will now deal with the action taken by Government on some of the recommendations.

Modern Port

Observation/Recommendation (Sl.No.2, Para No.2.8)

1.5 Commenting on the need for providing additional cargo/container handling facilities at Mormugao Port, the Committee in their Original Report had observed as follows:

“The Committee note that Mormugao Port has got most of the features of a modern port and need facilities like mechanised handling facilities to handle bulk cargo of coal/coke dedicated container handling facilities, augmenting the capacity of mechanised ore handling plant and capacity to handle liquid cargo.

The Committee desire that all these facilities be developed with due promptitude. The Committee note that M/s.ABG Goa Private Limited who were entrusted with the work of construction of modern multipurpose general cargo berths 5A and 6A could not complete the work by target date of December, 2001 which has now been extended till November, 2002. The Committee desire that the progress of work be closely monitored so that work is completed by the extended date. Consultation should be held with private operators with due promptitude for implementing the project for augmenting the capacity to handle liquid cargo.”

1.6 In their action taken reply, the Ministry of Shipping have stated as under:-

“A number of schemes, totaling Rs. 136.59 crores, have been included during the Tenth Plan for augmenting the capacity of the Mechanical Ore Handling Plant by way of acquisition/replacement. Work has been awarded for replacement of the existing 500 tonnes per hour barge unloader to unloaders with capacity of 750 tonnes per hour. Two unloaders have been replaced this year at a cost of Rs. 14.10 crores. Two more unloaders will be replaced next year. Subsequently, the balance four unloaders will also be replaced. The work can be taken up only during the shut down period without affecting the operation of the Port.

Construction of Berths 5A and 6A is in progress. The work is being closely monitored.”

1.7 The Committee are not satisfied with the reply furnished by the Government. It was after finding that the work of construction of modern multipurpose general cargo berths 5A and 6A were not completed by the target date in December, 2001 and was extended till November, 2002, that the Committee had recommended that progress of construction of the cargo berths should be monitored closely so that the work was completed within the revised schedule. From the reply of the Ministry, the Committee are constrained to note that construction was not completed even by the extended date and is reported to be in progress. The Ministry have also not specified any time for completion of the construction. The Committee highly deprecate the callous approach on the part of the Government in monitoring completion of the projects within the time-frame. The Committee desire that construction of both the cargo berths be completed expeditiously. The Committee also desire that the Government should ensure that all other projects taken up by Mormugao Port Trust for modernisation and augmenting the capacity of the Mechanical Ore Handling Plant are completed without any cost and time overrun.

Traffic Handling Capacity

Observation/Recommendation (Sl.No.3, Para No.2.13)

1.8 Stressing the need for enhancing traffic handling capacity, the Committee had recommended as follows:

“The Committee note that present traffic handling capacity of Mormugao Port Trust is 19.98 MT which is proposed to be increased to 31.50 MT by the end of Xth Five Year Plan. The Committee desire that all steps be taken with due promptitude to enhance the traffic handling capacity to 31.50 MT as targeted. As the report submitted by M/S Frederic R. Harris Private Limited have stated that traffic at high scenario by 2008 and 2013 would be approximately 41 and 43 million tonnes, the Committee desire that additional facilities be created after fully assessing/taking into consideration the methods suggested in the report of Frederic R. Harris for improvement/modernisation and further requirement of additional facilities.”

1.9 In their action taken reply, the Ministry have stated as under :-

“To cater to the future traffic, various development activities have been taken up by the Port. Berths No. 5A and 6A when completed will be able to handle traffic of 5 Million Tonnes Per Annum (MTPA). 3 Nos. Mooring Dolphins which are scheduled for completion by 2002, will be able to handle an additional throughput of 2 MTPA. Modifications are being carried out to the existing Mechanised Ore Handling Plant (MOHP) which is expected to increase the throughput by another 1.5 MTPA. In addition, a new Berth has been planned to be constructed in the Baina Bay for handling Cruise and Container Vessels.”

1.10 The Committee note that the information given in the reply was

already furnished during the time of examination of the subject. On the basis of the information furnished by the Government, the Committee had desired that projects meant for enhancing the traffic handling capacity in Mormugao Port Trust from 19.98 MT to 31.50 MT be completed with promptitude. Instead of informing the Committee about the concrete steps taken by the Government for early completion of the projects, the reply merely reiterates the earlier position with regard to projects. It is distressing to note that while furnishing the Action Taken Reply in February, 2003 the Ministry have merely stated that the Mooring Dolphins which were scheduled for completion by November, 2002 would be able to handle an additional throughput of 2 MTPA without indicating whether the project has been completed. While expressing their displeasure, the Committee desire that they be apprised of the progress made in the projects which are under implementation for enhancing traffic handling capacity in Mormugao Port Trust.

The Committee had also desired that the Government should consider creating additional facilities in Mormugao Port Trust in view of the traffic forecast made by M/s. Frederic R. Harris Private Limited projecting 41 MT traffic for the high scenario in 2008 and 43 MT traffic by 2013. They expect that after appointing consultants, their findings and suggestions should be given due weightage and necessary follow-up should be done. The Committee desire that the need for further enhancing the traffic handling capacity in the Port in the light of the projections made by the consultants should be followed up with utmost seriousness.

Upgradation of Railway Line

Observation/Recommendation (Sl.No.5, Para No.2.22)

1.11 Emphasising the need for laying of separate railway line from Hubli to Ankola, the Committee recommended as follows:

“The Committee note that due to non-availability of separate railway line from Hubli to Ankola, the iron ore rake coming to Mormugao Port has to keep

waiting in case both passenger rake and iron rake pass through the Ghat Section simultaneously.

The Committee desire that the matter may be pursued vigorously with railway authorities for laying of a separate rail line from Hubli to Ankola so that iron ore rake could expeditiously come to the port. As already stated in the report elsewhere vigorous consultations may also be held with State Government for allocation of additional land to develop storage for bulk cargoes and containers.”

1.12 In their Action taken reply, the Ministry have stated as under:-

“The Railway Authorities have been repeatedly requested to provide a separate rail line from Hubli to Ankola to overcome the bottle neck near Castlerock where there is a steep gradient of the railway lines, which prohibits movement of full rakes. However, during discussions with Railway Authorities, they have indicated that they would overcome this problem by providing 6 locomotives at the Ghat section near Castlerock so that full rake can be moved along this section. The Port has accordingly, planned its strategy to attract iron ore from Bellary Hospet which will lead to increase in the throughput of the Iron Ore traffic.”

1.13 Noting that due to non-availability of separate railway line from Hubli to Ankola, the iron ore rake coming to Mormugao Port had to keep waiting as both passenger rake and iron ore rake had to pass through the Ghat Section, the Committee had desired that the matter might be pursued vigorously with the Railway authorities for laying of a separate rail line from Hubli to Ankola so that iron ore rake could be brought to the Port expeditiously. ‘Vision 2020’ on port sector submitted by RITES has also stressed on the importance of providing Hubli-Ankola railway linkage. The Ministry have stated that the Railway authorities have indicated that they would provide six locomotives at the Ghat Section to overcome the problem of movement of full rakes. The matter

should be pursued with the Railway authorities for providing the locomotives at Ghat Section expeditiously so that full rake could be moved along this section. However, this would not solve the problem of waiting of the iron ore rake as both passenger rake and iron ore rake have to pass through the Ghat Section. The Committee, therefore, desire that the possibility of laying a separate railway line between Hubli to Ankola should again be pursued with the Railway authorities with all seriousness.

The Committee are constrained to note that no action has been taken by the Government on their recommendation to impress upon the State Government for allocating additional land to develop storage for bulk cargo and containers. The Committee reiterate their earlier recommendation that the State Government should be impressed upon to provide additional land for developing storage for bulk cargo and containers.

Wagon Tipling System

Observation/Recommendation (Sl.No.8, Para No.3.15)

1.14 Noting that Wagon Tipling System at Mormugao Port had not been introduced, Committee recommended as follows:

“The Committee note that under Wagon Tipling System iron ore comes through wagons and the wagon containing iron ore automatically comes out. The Wagon Tipling System is in operation at five ports in the country. Bhatnagar Committee had recommended for introducing Wagon Tipling System at Mormugao Port also. However, same could not be implemented due to non availability of enough land and Railway lines.

The Committee note that Mormugao Port Trust have consulted Rail India Technical Engineering Service (RITES) and private parties and prepared certain project reports. The Committee desire that the matter may be taken up with State Government and pursued vigorously for allocation of more land so that the

Wagon Tippling System could be introduced at Mormugao Port Trust with due promptitude.”

1.15 In their Action Taken reply, the Ministry have stated as under:-

“A private company has come forward with a proposal for installing a wagon tippling system at Mormugao Port to handle Bellary Hospet iron ore. Various rounds of discussions were held with them to dovetail their requirement with that of the Port’s, so that no operational problem is created. The company has appointed M/s. RITES as consultants for this purpose. M/s. RITES has conducted a detailed survey for locating the Wagon Tippling System and associated railway lines. On receipt of the final report, a suitable decision will be taken.”

1.16 Noting that Wagon Tippling System as recommended by Bhatnagar Committee could not be introduced at Mormugao Port due to non availability of enough land and Railway line, the Committee had recommended that the matter should be taken up with State Government and pursued vigorously for allocation of more land so that the Wagon Tippling System could be introduced at Mormugao Port Trust with due promptitude. The Chairman, Mormugao Port Trust during his evidence before the Committee had informed “Iron Ore will have to be brought by Wagon Tippling System. We have also consulted RITES. Some private party also wants to go in for a small mini tippling wagon system.” From the above observation and from the action taken reply furnished by the Ministry that a private company has come forward with a proposal for installing a Wagon Tippling System at Mormugao Port, Committee draw the inference that pending allocation of land by the State Government the private party has given proposal to install a Mini Wagon Tippling System.

The Committee are also constrained to note that the Ministry have not informed them about the outcome of discussion with the State Government for allocation of more land for installing Wagon Tippling System at Mormugao Port. The Committee reiterate their earlier recommendation that consultation may be held with the State Government for allocation of more land so that Wagon Tippling System as per the requirement of Mormugao Port could be installed at the earliest.

Training

Observation/Recommendation (Sl.No.10, Para No.4.7)

1.17 Emphasising the need of imparting training to officers/employees working in Ports, Committee had recommended as follows:

“Importance of training in the skill development of the individual and the benefit to the organisation need not be over- emphasised. There is no gain saying the fact all mechanisation would be hollow if the equipments are not operated by trained manpower.

The Committee were, therefore, constrained to note that in JNPT which is equipped with state-of-the-art equipments, proper training had not been given to officers/ employees for operating a very important system viz. Vessel Traffic Management System (VTMS) which control the vessel traffic coming to the Port and safety in navigational channel.

The Committee find that though training programmes were conducted for officers and staff of JNPT, the training was mainly imparted on subjects covering safety aspects, performance appraisal system, handling of hazardous goods, managerial leadership and team building, etc.

Committee desire that syllabai of training programme be suitably revised to include training in operation of state-of-the-art equipments installed/proposed to

be installed in various ports and all officers/staff manning these equipments at all the ports be given training to handle them efficiently.”

1.18 In their Action Taken reply, the Ministry have stated as under :-

“The need for imparting training to officers and staff in the major ports, on a continuing basis, through systematic efforts, with a view to upgrading their skills to cope with emerging requirements has been recognized by the Government. At present, training for managerial personnel is imparted by two national institutes, namely, Indian Institute of Port Management, Kolkata (IIPM) and National Institute for Port Management, Chennai (NIPM). The courses conducted cover port operations, port engineering, port finance, port administration, inventory and materials management, management courses, information technology and courses on specific areas such as safety, quality control, etc. Besides the regular training courses in the areas indicated above, the two institutes have also conducted seminars and workshops on topics of current interest and on emerging trends in port operations and management.

Apart from the training courses conducted by these two institutes, which mainly cover the officers cadre and occasionally the senior level supervisory category, the training requirement of all the supervisory personnel, staff working in offices, employees working in maintenance and operation of plants and equipment, workers engaged in cargo handling are to be met through training at the port level. The Working Group for the Port Sector for the Tenth Five Year Plan has identified the following thrust areas for training at the port level :

- ❖ Retraining of cargo handling workers in handling of containers and bulk cargo.
- ❖ Training of equipment operators in high capacity general cargo handling equipment, containers handling equipment and bulk cargo handling equipment.

- ❖ Training of skilled and semi skilled employees in maintenance of container handling equipment, bulk handling equipment and state of the art other cargo handling equipment.
- ❖ Training of skilled and unskilled crew members working on floating craft such as, tugs, dredgers, launches, etc.
- ❖ Workshops and seminars on current developments in the ports such as, corporatisation, commercialization, privatization schemes such as BOT, BOOT, etc.
- ❖ Training of staff in computers, EDI, VTMS and other computer based operations.

Two officers of Jawaharlal Nehru Port Trust underwent training in the operation of Integrated VTMS with the manufacturer of the system, for two weeks in August 1996, before supply of the system to the port. After installation of the system at the Port, four Senior Signalmen of the port underwent basic training on operation at site for five days in October 1996.

Further, National Institute of Port Management, Chennai has been asked to conduct Basic training for operators as per International Association of Lighthouse Authorities (IALA) guidelines adopted by the International Maritime Organisation (IMO). The training, for two weeks has commenced on 16th December, 2002.”

1.19 On finding that officers/employees of Jawaharlal Nehru Port

Trust were not trained to handle an important system, viz. Vessel Traffic Management System (VTMS), which controls the vessel traffic coming to the Port and provides safety in navigational channel and other areas of Port water, the Committee had desired that

syllabi of training programme be suitably revised to include training in operation of state-of-the-art equipments installed/proposed to be installed in various ports. The Committee had also recommended that all officers/staff manning different equipments at all the ports be given training for operating the specific equipments. From the action taken reply furnished by the Ministry, the Committee are constrained to note that the two institutes, viz. Indian Institute of Port Management, Calcutta (IIPM) and National Institute for Port Management, Chennai (NIPM) which cater to the training needs of port personnel conduct training courses only for port personnel in the officer cadre and training for those in senior level supervisory category is given occasionally. In the absence of training facilities available to operating staff, the technical staff working in ports will be ill-equipped to operate the equipments installed at the Ports. It is noted that recently the Working Group for the Port Sector for the Tenth Five Year Plan has identified certain thrust areas for training of skilled and semi-skilled employees of Ports. The Committee, therefore, desire that periodical specialised training be imparted to the skilled and semi-skilled employees of the Ports to improve their skills and to enable them to operate state-of-the-art equipments with dexterity.

Implementation of Recommendations

1.20 The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted by the Government. They would, therefore, urge that the Government should keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In case it is not possible to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation

MINUTES OF SITTING OF THE ESTIMATES COMMITTEE
(2002-2003)

FOURTEENTH SITTING

The Committee sat on Monday, the 31st March, 2003 from 1100 to 1140 hours.

PRESENT

Prof. Ummareddy Venkateswarlu – Chairman

MEMBERS

2. Shri Lal Muni Chaubey
3. Shri Dalit Ezhilmalai
4. Smt. Sheela Gautam
5. Shri Shankar Prasad Jaiswal
6. Shri Shriprakash Jaiswal
7. Dr. C. Krishnan
8. Shri Samik Lahiri
9. Shri Sanat Kumar Mandal
10. Shri Manjay Lal
11. Shri Shyam Bihari Mishra
12. Shri Subodh Mohite
13. Prof. Rasa Singh Rawat
14. Shri Dileep Sanghani
15. Shri Maheshwar Singh

16. Shri Rampal Singh
17. Shri Lal Bihari Tiwari
18. Shri Shankersinh Vaghela
19. Shri D. Venugopal

SECRETARIAT

- | | | | |
|----|-----------------|---|--------------------|
| 1. | Shri A.K. Singh | - | Director |
| 2. | Shri Cyril John | - | Under Secretary |
| 3. | Shri N.C. Gupta | - | Assistant Director |

-2-

2. The Committee considered and adopted the following draft Reports without any modification :-

(i) XX XX XX XX

(ii) Report on Action taken by Government on the recommendations contained in the Ninth Report of Estimates Committee (13th Lok Sabha) on Ministry of Shipping - 'Expansion and Modernisation of Ports with special reference to Mormugao Port Trust'.

3. The Committee authorized the Chairman to finalise the Reports in the light of verbal and other consequential changes, if any, arising out of factual verification by the respective Ministries and to present the same to the House.

The Committee then adjourned.