

VISAKHAPATNAM PORT AUTHORITY  
TRAFFIC DEPARTMENT

No. ITRA/SHP/FPBC/1157  
Dt. 08 -10- 2024

ALL PORT USERS

CIRCULAR No. 1740

Sub:-Introduction of Levy of Penal Berth hire for vessels causing abnormal delay –  
adverse effect on Key Performance Indicators – reg.

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The performance of any Port is assessed by the Key Performance Indicators like Output per Ship Berth Day (OSBD), Pre-Berthing Detention, Idle Time at Berth, Turn Round Time of Vessel etc. These performance indicators are reviewed on regular basis by IPA and Ministry. The ranking of the Port Performance is also dependent on the KPIs.

Of late, it is observed that most of the vessels are encountering with the following delays during the day-to-day cargo handling operation of Bulk / Break Bulk cargoes. Some of the delays identified are as follows:

- (1) Waiting for Let Export papers
- (2) Previous vessel cargo clearance
- (3) Waiting for empty trailers & dumpers
- (4) No work due to waiting for chief officer instructions
- (5) Waiting for loader placement in the hatches
- (6) Waiting for shore clearance
- (7) Trimming of cargo for vessel stability purpose
- (8) No work due to ballasting / de-ballasting vessel stability purpose
- (9) Hatch covers not opened due to hydraulic problem
- (10) Save wall nets not properly arranged
- (11) Ship crane repair
- (12) Ship grab repair

Several instructions were given to the Port Users which include Steamer Agents, Stevedores, Handling Agents and Importers / Exporters to take necessary action to avoid unnecessary delays. Letters are being issued by this department on regular basis whenever the vessels exhibit poor performance during its stay at VPA. In spite of all the efforts made by this department, some of the Port Users are not making any efforts to curtail the delays and thus leading to poor performance of the vessels at berth.

Earlier, norms were fixed for every cargo either import or export. If the vessel do not achieve the norm during the stay at berth, then Penal Berth Hire Charges are collected along with the final Bill. This helped VPA in emphasizing the need for better performance and the Port User also made efforts to reduce the idle time at berth.

Subsequently, the concept of levy of Penal Berth Hire was done away with and at present, Penal Berth Hire charges are being levied only for oil tankers. Now, the performance of some of the bulk vessels has deteriorated and this is directly affecting the performance indicators of VPA. In this regard, several instructions were given to the Port Users time and again, but in vain.

(contd..2)

In view of the reasons mention above, Visakhapatnam Port Authority (VPA) intends to re-introduce Penal Berth Hire Charges(PBHC) for all the vessels working at VPA berths.

**Criteria of Delays for levy of Penal Berth Hire Charges (PBHC) shall be the following**

- 1) When the vessels do not commence cargo handling operations within 2(two) hours from the time of berthing, Penal Berth Hire Charges equivalent to 2(two) times of normal berth hire shall be levied in addition to the normal berth hire charges until the cargo handling operations commence, on the Steamer Agent.
- 2) When the vessel do not give readiness to sail/shift even after 2hrs of completion of cargo handling operations, Penal Berth Hire Charges equivalent to 2(two) times of normal berth hire shall be levied in addition to the normal berth hire charges until the vessel hoists shifting /sailing flag and contacts Port Control, on the Steamer Agent.
- 3) Whenever the cargo handling operations are halted for more than 1 (one) hour due to any one or several reasons mentioned above, Penal Berth Hire Charges equivalent to 2(two) times of normal berth hire shall be levied in addition to the normal berth hire charges until the cargo handling operations recommence, on the Stevedores.

The above Penal Berth Hire Charges comes into force with immediate effect.

This has the approval of the Chairperson, Visakhapatnam Port Authority.

  
TRAFFIC MANAGER i/c

Copy to:- PS to Chairperson for kind information of Chairperson.

Copy to:- PS to Dy. Chairperson for kind information of Dy. Chairperson.

Copy to:-

Visakhapatnam Stevedores Association, VSP.

Visakhapatnam Steamship Agents Association, VSP.

Visakhapatnam Charter Ship Agents Association, VSP.

Visakhapatnam Custom Clearing&Forwarding Agents Association,VSP.


For information and to give wide publicity among all agents.

Joint Director (R & P) for necessary action for hoisting on to VPT website.

Shipping Assistant to send email to all trade

(scanned copy at [10.10.2.19](mailto:10.10.2.19) > New share folder > pa to tm)

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vide approved placed below for signature

  
HAC JA(ship)

  
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**DESPATCHED**