

Major Port Authorities Bill 2020

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Source: *PIB*

Recently Major Port Authorities Bill 2020 was introduced in the Lok Sabha by the Minister of state for shipping (I/C). The proposed **bill seeks to provide for regulation, operation and planning of Major Ports in India and to vest the administration, control and management of such ports upon the Boards of Major Port Authorities** and for matters connected therewith or incidental thereto.

Background

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi had approved the proposal of Ministry of Shipping to replace the Major Port Trusts Act, 1963 by the Major Port Authorities Bill, 2020

Aims

- The bill aims at decentralizing decision making and to infuse professionalism in the governance of major ports.
- The Bill is aimed at reorienting the governance model in central ports to the landlord port model in line with the successful global practice

Significance of the move

This will empower the Major Ports to perform with greater efficiency on account of full autonomy in decision making and by modernizing the institutional framework of Major Ports.

Key features of the Bill

- **Compact in nature:** The Bill is more compact in

comparison to the Major Port Trusts Act, 1963 as the number of sections has been reduced to 76 from 134 by eliminating overlapping and obsolete Sections.

- **Simplified the composition of the Board of Port Authority:** The new Bill has proposed a simplified composition of the Board of Port Authority which will comprise of 11 to 13 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.
- **Inclusion of state representative in the board:** Provision has been made for the inclusion of representative of 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 Port Authority.
- **Redefined role of Tariff Authority for Major Ports:** The role of Tariff Authority for Major Ports (TAMP) has been redefined. **The 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 Port Authority has been delegated the power to fix the scale of rates for other port services and assets including land.
- **Adjudicatory Board to carry out residual function:** An Adjudicatory 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.

- **Enhanced power to the Board of Port Authority:** The Boards of 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 instances.
- **Creating the specific master plan:** The Board of each Major Port shall be entitled to create a specific master plan **in respect of any development or infrastructure established or proposed to be established within the port limits** and the land appurtenant thereto and such master plan shall be independent of any local or State Government regulations of any authority whatsoever.
- **Provisions of CSR & development of infrastructure by Port Authority have been introduced.**
- **Safeguarding the pay & allowances and service conditions:** Provision has been made for safeguarding the pay & allowances and service conditions including pensionary benefits of the employees of major ports and Tariff of Major Ports.