

Minutes of the 123rd Meeting of the National Shipping Board held at "Hotel Novotel" Visakhapatnam on 24th February, 2014.

The 123rd Meeting of the National Shipping Board (NSB) was held under the Chairmanship of Capt. P.V.K. Mohan on 24th February, 2014 at Hotel Novotel, Visakhapatnam. The list of participants is enclosed at Annex -1.

2. The meeting began with the invocation by the staff of Visakhapatnam Port Trust, followed by the presentation of floral bouquets by Shri R.P.S. Kahlon, IAS, Chairman, Visakhapatnam Port Trust to the Chairman, National Shipping Board (NSB), Director General of Shipping (DG(S), Hon'ble Members of Parliament (MP) and all the members and special invitees of the NSB.

3. In his welcome address, Shri R.P.S. Kahlon, IAS welcomed the Chairman, NSB, DG(S), Hon'ble MPs, Members and special invitees of the NSB and expressed his pleasure in hosting the 123rd meeting of the NSB at Vishakapatnam. He stated that NSB has been playing a very vital role in the maritime development of the country and some of the major policy decisions of Govt. of India for the development of Shipping and Ports are taken, based on the recommendations of the NSB under the dynamic leadership of Capt P V K Mohan. Chairman, VPT further deliberated that the future of any coastal state depends on promotion of coastal shipping since water transport is cheaper and environmental friendly than other transportation. He reiterated the need for regulatory mechanism for Non-major ports in addition to the minimum storage facility and road connectivity. He stated that the Maritime infrastructure is critical for the economic development of the country which influences the pace, structure and pattern of the development. He informed that the VPT has handled cargo of about 67 MT during 2012-13 and the aim is to handle 100 MT by 2015 by series of interventions and mostly through PPP mode. He further informed that two dredging projects are in progress i.e., Deepening of outer harbour to facilitate navigation of draft upto 18.1 meters at an estimation of 140 crores which is likely to be completed by March, 2014, and Dredging of Inner harbour channel and turning circle to facilitate PANAMAX vessels, at the cost of 328 crores and which is likely to be completed by May, 2014.

4. Capt. P.V.K. Mohan in his speech, welcomed the Hon'ble MPs, members and the special invitees of the Board. He thanked Chairman, VPT and his team for the excellent arrangements made for hosting the NSB meeting. He commended the address of the Chairman, VPT that is

very informative. Capt Mohan further stated that recently he had come to know that the Hon'ble Minister of Shipping is the President of the Narottam Morrarjee Institute of Shipping (NMIS) and the Secretary (Shipping) is its Vice-President. He opined that that the NMIS could arrange for a workshop for officials of the Ministry of Shipping to familiarize them on the commercial issues of the shipping sector. He apprised the Board about the progress made in the TTV project so as to facilitate training of around 180 – 200 cadets on board the training vessel. The recommendations made on modal shift of cargo to enhance coastal shipping were welcomed by the Industry. Chairman requested Ministry of Shipping to quickly implement the suggestions.

5. Confirmation of minutes of 122nd NSB Meeting:

There being no issues raised with respect to minutes of the last meeting and therefore the Minutes of the 122nd NSB meeting, as circulated, were confirmed in order.

6. Review of Action Taken Report of NSB meetings in last two years

6.1 118th meeting held on 21st January, 2012:

(a) To constitute a three members Committee consisting of one port Chairman, representative of SCI and MD, IPA, to study in detail the "cost to user" at various ports and submit a report by the end of April, 2012.

Action – The issue was deliberated at length and it was decided that the Ministry of Shipping should constitute a Committee to study in detail the "cost to users" at various Ports.

b) Port entry rules to be strengthened to ensure that all vessels in Port are in possession of valid P & I insurance certificate.

Action - It was decided that to implement the Port Entry Rules, the Customs authorities may be advised by Ministry of Shipping, to ensure compliance of Port Entry Rules, prior to issuance of Port clearance to visiting ships.

(c) Deployment of CISF at airports may be examined for the feasibility of CISF deployment on Indian Merchant Ships.

Action - It was decided that the issue of feasibility of deployment of CISF on Indian Merchant ships has been examined and it has not been found feasible for such deployment of CISF. This point stands deleted.

6.2. 119th Meeting held on 31st May, 2012:

a) Union Minister of Shipping be requested to lead a delegation to the Ministry of Finance for exemption of Income Tax to seafarers.

Action - The issue has been taken up with the Finance Ministry and the matter could not be moved forward.

b) CISF to be deployed at non-major ports to bring in uniformity of security in all ports.

Action - It was decided that all the Major Ports and Non major ports should strictly comply with the ISPS code before it starts the commercial operation. However, the issue of deployment of CISF at all ports need to be examined by IPA and a report may be submitted by IPA to MSDC in this regard.

c) Detailed proposal for setting up IMS be prepared and submitted to MoS by a Committee under the Chairman of Shri D.T. Joseph.

Action - It was suggested that the Ministry of Shipping should appoint a suitable outside agency as Consultant for preparing a road map for setting up the IMS.

d) IPA to depute officers to Kandla unit of DGLL for VTS training.

Action - Capt Surej stated that VTS training was conducted at Kandla unit of DGLL and 35 members have attended the training and he further proposed to conduct training in all Major Ports on cost basis.
Point to be deleted.

e) VTS Authority at local port level and Competent Authority at national level to be set up for monitoring VTS.

Action - Capt Surej informed that the issue has been taken up with the Ministry to set up for the monitoring of VTS authority.

f) Autonomy for Ports to be considered on par with mini-ratna companies

Action - Action has already been taken up by IPA and a committee has been set up under the chairmanship of AS & FA, MoST.

Point to be deleted.

6.3. 120th Meeting held on 3rd November, 2012:

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

Action - Chairman, NSB informed that the work is in progress for construction of fishing harbour at north of NMPT.

Point to be deleted.

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 - Chairman, NSB recommended to DGS and MoS to expeditiously complete the process of deployment of ETVs before the onset of monsoon.

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

Action - Being done. Point to be deleted.

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. MD, IPA requested to authorize the Chairman to give license to the Pilots.

Action - It was informed by the IPA that under the present provisions of the Act, such delegation would not be possible.

Point to be deleted.

e) Govt. should ensure setting up of Seafarers Club at every major and non major ports.

Action - It was informed that most of the major ports are having Seafarers clubs. Chairman requested DGS and MoS to also consider such facilities for seafarers at non-major ports.

6.4 121st Meeting held on 09th March, 2013:

a) In order to augment the capacity of DCI and Dredging Sector, it is recommended that;

i) Suitable training aids (simulators) be set up at IMU and an optional paper on dredging be included in the Pre-sea training curriculum of the deck cadets.

Action - It was decided that IMU should set up simulator for dredgers and training on the simulators should be mandatory for competency examinations.

b) DR 67/68 Rules circulated by IMO through circ. 2285 dated 17.01.2001 that permit dredgers to load to higher draft, to be examined;

Action - It was decided that DCI should write to IRS to issue circular, clarifying the requirements for complying with the requirements of DR 67/68 and INSA should convene a meeting of stakeholders to facilitate this process.

c) NSC Clearance, issued by Indian Navy needs to be streamlined and expedited and issued on 24X7 basis.

Action - Point to be deleted.

d) Petroleum Ministry is to be sensitized regarding concerns of fisherman while drilling activities are undertaken.

Action - Shri Sunil Misra, JS, informed that the matter has been taken up with the Ministry of Petroleum. Point to be deleted.

e) Road map with timelines for implementing the PBIS to be prepared and discussed with Secretary (Shipping)

Action - MD, IPA informed that the proposal has been submitted to the Ministry and is under examination for clearance. Point to be deleted.

f) In order to support coastal Shipping, there is a need to re-examine the existing technical and manning standards for coastal ships.

Action - RSV notifications were already issued. Point to be deleted.

a) All Major ports to provide for slop reception facilities for vessels, visiting their ports.

b) Tier 1 facility to be set up in all the ports in the country.

Action – It was decided that since the report of the Capt. Mohan's Committee has been submitted to the Ministry of Shipping, its recommendations should be implemented expeditiously.

Point to be deleted.

7. Presentation on Coastal Shipping by Capt L K Panda, Nautical Adviser to Govt. of India.

Capt. Panda in his presentation highlighted the need to provide cargo support by granting incentives to shippers for effecting a modal shift of transportation of cargo from land routes to sea routes. He listed number of cargoes that can be incentivized. He explained that there could also be incentive on fixed charges such as no light dues may be charged on coastal ships, rebate on port dues could be increased from 40% to 60% and excise and custom duties could be slashed for construction of coastal ships.

The presentation was very well received by the Chairman and members of the NSB.

8. Presentation on Trading –cum-Training Vessel (TTV) by Capt Sunil Thapar, Director, Shipping Corporation of India.

Capt. Thapar outlined the progress made so far on the proposal for acquiring TTV. He informed that the Maritime agenda 2020 envisages an increase of market share of Indian seafarer from 6% to 9% and in order to meet this objective, it was essential that India acquires a captive training vessel which also trades so that its economic viability could be sustained. He informed that there are three options, namely, one, acquire a second hand cape size vessel and convert her to a TTV, two, acquire a new eco design cape size vessel and three, acquire two new vessels. He recommended that ideal option could be two vessels, one a dry bulk carrier and other a tanker.

The presentation was very well received by the Chairman and members of the NSB.

9. Presentation on Comprehensive Pilotage Scheme by Capt JJ Biswas, Deputy Director (Marine) Kolkata Port Trust.

Capt Biswas in his paper, highlighted the need for a uniform centralized approach towards ensuring that all Indian ports have well qualified resource of pilots. In his paper, Capt. Biswas brought out the

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need for interchangeability/transfer of pilots on all India basis, the need for training infrastructure and the need for framing new Rules.

The Chairman while appreciating the presentation, desired that the concept needs to be further developed.

10. New agenda submitted by members of NSB.

10.1 Review of Tax Structure

Dr R. Rajamohan, suggested to review the tax structure as experienced seafarers are opting for foreign flag vessels since their salaries on such vessel is tax free.

This subject is being discussed with the finance ministry.

10.2 Sharing Dredging Costs in Cochin Port

Chairman, NSB informed that huge expenditure is being incurred by the Cochin Port and proposed that the Ministry may look into the issue.

10.3 All Ports to come under 24 x 7 Security Scanner

Dr Rajamohan suggested that all the ports, including private ports, keeping in view of the looming security threats, be brought under 24 x 7 security scanners of the Central Government.

Chairman, NSB, informed that this issue is under active consideration of the security agencies.

10.4 Colachel Port be declared as a Major Port

Dr Rajamohan suggested that Colachel port, being strategically located, should be declared as major port. The issue was discussed in detail and it was decided that Ministry of Shipping may set up a technical committee to examine the feasibility of this proposal.

10.5 Income Tax exemption to all Indian seafarers serving on Indian flag vessels including those plying in the Indian Coast.

Representative of NUSI proposed that Income tax exemption should be granted to Indian seafarers serving on Indian flag vessels.

Chairman informed that this issue has been taken up earlier with the Finance Ministry but they have so far been not agreeing to our proposal.

10.6 Indian Seafarers should be made permanent employees of the shipping company.

Representative of NUSI proposed that Indian seafarers should be made permanent employees of the shipping company so as to ensure that they continue to get financial benefits even when not on board the vessel.

Chairman, NSB, requested representative of INSA to examine the proposal.

10.7 The Contributory Annuity Scheme under the aegis of the Seamen's Provident Fund Office.

DG Shipping informed that this issue has been discussed in the Trust Meeting and proposal is being worked out by the Trust for necessary amendment to the SPFO Act.

10.8 Ratification of the Maritime Labour Convention, 2006.

Representative of NUSI stated that the world is waiting for India to ratify the MLC 2006.

DG(S) informed that the subject is on priority list of the Directorate and is being expedited.

10.9 Integration of E-Navigation in Indian Maritime Domain

Representative of the Coast Guard proposed for the integration of e-navigation in the Indian maritime domain.

Chairman, NSB informed that the matter is under consideration of the DGLL / Ministry of Shipping.

10.10 Waiting Area off Gulf of Kutch and Khambhat

Representative of the Coast Guard proposed that waiting area outside the GoK / Khambhat may be promulgated.

Chairman, NSB, informed that it was not possible to designate any area outside the Indian territorial waters. However, DGS may consider issuing an advisory in this regards.

10.11 Security issues concerning Dhows - Identity proof of Dhow Crew

Representative of Indian Navy proposed that all sailing vessel (dhows) crew should possess passports, as the identity proof.

Jt. Secretary, MoS informed that the matter has been received by the Ministry and suitable proposal would be forwarded to MEA in this regards.

10.12 Movement of Dhows:

Representative of IN stated that movement of the dhows should be intimated to the MRCC/MOC and an immigration check on the movement

of crew of dhows would help facilitate more security and transparency on the movement of dhows.

It was informed that necessary instructions have been issued to ports to inform about arrival and departure of dhows in their port, to the local police and also to the Coast Guard. As regards the immigration checks, IN may take up with the MEA / MHA.

10.13 **Regulation of Barges engaged in Lighterage operations**

Chairman, NSB requested DGS to issue suitable directions to the registrars of such crafts and to MMD, Goa.

10.14 **Thuraya sets**

Representative of IN, informed that the Thuraya sets are being operated onboard merchant vessels while operating in Indian waters and requested that information on such communication sets on board merchant vessels, arriving at Indian ports, may be included in the PANS. Representative of the Coast Guard informed that Thuraya sets have been banned and stated that the Thuraya sets should not be operated as it is obstructing the communication of other sets.

Chairman suggested that the IN could take up this issue for issuance of suitable Navarea warning.

11. **Any other items with the permission of the Chair.**

Smt. B. Jhansi Lakshmi, Hon'ble Member of Parliament, stated;

a. that construction of a light house at Mudugatlapalem has been sanctioned, however, 8 months has been lapsed and no action was taken so far and requested the Chair to intervene in the matter in recommending the issue to the Ministry.

b. that a coastal corridor from Visakhapatnam to Chennai has been proposed and requested to extend the same from Kalingapatnam to Chennai instead of from Visakhapatnam.

c. that 2 Marine Police Stations have been sanctioned at Kalingapatnam and Bhogapuram and requested to provide jetties in those areas.

d. that pension is being provided to the Fisherman at the age of 60 years and keeping in view of the hardship of the fisherman who are under scorching sun which damages the retina and therefore requested to provide pension from the age of 50 years instead of 60 years.

Capt. Surej, DGLL, informed that for every 30 miles on the coast, one light house would be made available, at an early date.

Chairman, NSB requested representatives of the MoS to take note of the proposals of Smt B. Jhansi Lakshmi and expedite their completion.

Shri Sandeep Chandra, Member, NSB requested to place on record his appreciation for Shri G.K. Vasan, for being the best Shipping Minister for the valuable services rendered.

12. Concluding the meeting, Chairman, NSB thanked Hon'ble members of Parliament, Chairman, VPT, Members and special invitees of the NSB, for their valuable contribution and support extended in making the meeting a success and outlined following resolution which were passed during the meeting;

12.1 Ministry of Shipping to set up a Committee to study in detail the "cost to users" at various Ports. **[Action : MoS]**

12.2 National guidelines for security for Ports (where ISPS is not applicable), may be prepared, pending the comprehensive amendments proposed for the IPA. **[Action : IPA]**

12.3 A consultant may be appointed to provide a concrete proposal for setting up IMS. **[Action : MoS]**

12.4 In order to further strengthen the implementation of Port Entry Rules, Customs authorities may be advised to ensure compliance of Port Entry Rules, prior to issuance of Port clearance to visiting ships. **[Action : MoS]**

12.5 A proposal to be forwarded to Ministry of Shipping for setting up a simulator for suction trailer dredger at IMU. **[Action : DCI]**

12.6 There is a need to urgently implement the recommendations of Committee on "Preparedness of Ports for Tier 1 Oil Pollution" under the Chairmanship of Capt. P V K Mohan. **[Action : MOS]**

12.7 Technical Committee be entrusted to examine the feasibility for declaring Colachel Port as Major Port. **[Action : MOS]**

12.8 To examine the feasibility of ratifying the MLC through the ordinance route. **[Action : MOS]**

The Meeting ended with vote of thanks to the Chair.

