

**DEPARTMENT- RELATED PARLIAMENTARY STANDING COMMITTEE ON TRANSPORT,
TOURISM AND CULTURE**

**Two Hundred Fiftieth Report on
The Major Port Authorities Bill, 2016**

The Two Hundred Fiftieth Report of the Department-related Parliamentary Standing Committee on Transport, Tourism and Culture on '**The Major Port Authorities Bill, 2016**' was presented to both the Houses of Parliament on the 18th July, 2018. The Committee consisting of 31 Members of Parliament is Chaired by Shri Mukul Roy, M.P.

The major recommendations/observations of the Committee are as under:-

1. The Committee deliberated upon the concerns and apprehensions of the various stakeholders regarding corporatization/privatization of the ports. The Committee noted that there are some clauses which give impression that the proposed Bill provides the Government more teeth to allow private players in the port sector which may, in future take full control over the port activities. The Committee recommended that the Ministry in the first instance, should remove the fears of the stakeholders on the issue of 'privatization of ports' and ensure that the administrative, managerial and financial control of the Port will remain with the Port managements.

(Paras:14 &15)

2. The Committee noted that production and productivity of Ports lies on the proper management of labour. Efficiency of any Port is measured in terms of labour productivity. After considering all the aspects of the various representations received and the oral evidence recorded before the Committee, the Committee suggested the following modifications in the Clause 3 of Bill related to Constitution of the Board:

3. The employees and labour involved in the Port activities are one of its major stakeholder and they need a better representation in the Board. The Committee therefore recommended that minimum 2 labour representatives should be appointed in the Port Authority Board from among the serving employees of the Port for which the port/ the Central Government shall obtain the opinion of the serving employees of the Major Ports and the selection procedure of the labour representative should be same as the existing one. (Para:39)

4. The Committee noted that the Independent Members are not so important and many a times they are representatives with vested interests nominated to the Boards to perpetuate the business interests of some groups. The Committee recommended that the Independent Members should be persons having expertise in port activities. The Committee recommended that there should be a maximum of two members in the category of Independent Members in the Board.

(Para:40)

5. The Committee recommended that person appointed as Chairperson or Deputy Chair person or Member should not have any financial or other interest in the functioning of ports

(Para:61)

6. The Committee recommended that there shall be safeguards to the existing benefits including the pensionary benefits of the port employees and necessary clause in this regard should be inserted while finalizing the Bill.

(Para:95)

7. The Committee recommended that there should be provisions in the Bill to decongest the cargo accumulations in the ports so that the unclaimed cargo can be easily disposed/auctioned. The Committee also recommends that for easy movement of traffic and to ensure protection of rights of the ports, Container Freight Stations and Shipowners, the rights under Clause 26 in the proposed bill should also be applicable to cargoes in Container Freight Stations.

(Para:137 & 138)

8. The Committee noted the apprehensions shown by various stakeholders especially the employee unions of ports that the provisions given in clause 30 to empower the port authorities to raise loans from open market and also foreign financial institutions may finally lead to take over the control of the port management by foreign entities or private parties. The loans from the foreign financial institutions should not be a backdoor opening for such institutions to gain administrative and managerial control of the Ports. The Committee therefore, cautioned the Government that clause 30 of the Bill may be thoroughly scrutinized again and any loopholes in it may be rectified so that the management and administrative control of the port authority may remain with the Government at any circumstances.

(Para:154)

9. The Committee recommended that a new para should be added in this clause 30 (1) as “Board may without the approval of the RBI, Central Government and due notification in official gazette, raise no loans for the purpose of the Act. Provided that no such notification shall be necessary if a loan is obtained from State Government or Central Government”.

(Para:155)

10. The Committee recommended that clause 39 may be modified as “Ports shall have power to invest in any Nationalised Banks within India” and can borrow from any “scheduled Banks and financial institutions”.

(Para:160)

11. The Committee noted the points raised by the stakeholders regarding Clause 50 of the Bill that retaining the Section 111 of the MPT Act, 1963 in the new Bill may be intentional to use it at the appropriate time by the Government and may endanger the very interest of the Major Ports, particularly when the ongoing policy of privatization is aggressively pursued by the Central Government. The power given to Central Government under the Clause 50 to issue directions to the Directors of the Board may lead to converting the Port Authorities into companies through executive order of the Central Government. The Committee, therefore, recommended that the Government should not misuse the provision given under this Clause for any such activities as pointed out by the stakeholders.

(Para:177)

12. The Committee noted the grievances of certain individuals on the Clause 57 and the reply furnished by the Ministry of Shipping on the action of unauthorized occupants in the port land. The Committee also noted the reply given by the Ministry that section 130 of the Major Port Trusts Act, 1963 have similar provision for eviction of the un-authorized occupants of the Port land though many people are continuing there since generations. The Committee had the opinion that the ports have every right to protect the land under their jurisdiction. There is no right for the unauthorized occupants to claim a stake in the Port land. The Committee therefore recommended that the ports may be evicted from encroachers and unauthorized occupants from the port land at the earliest.

(Para:208)

13. The Committee noted that navigational safety is a cause of concern especially the Indian coasts witnessed similar incidents of vessels collisions and abandoning the vessels in a dangerous manner as pointed out by the stakeholders. The Committee, therefore, recommended that specific clauses may be added to the Bill empowering the Port Boards to make provisions for making Navigational Safety Audits mandatory.

(Para:215)

14. The Committee recommended that Government may make a study of the requirement of staff at each port and as per study report necessary actions may be taken to recruit the staff in the major ports.

(Para:234)

15. The Committee noted that new ports are coming up in the vicinity of major ports affecting the business and profitability of the major ports. The Committee therefore recommends that no new ports should be established in the 100 km vicinity of the existing major ports without the permission of the Board of the existing major ports.

(Para:237)

(The full report is available on the website of Rajya Sabha [http://rajyasabha.nic.in-Committees-Department related RS-Committee on Transport, Tourism and Culture-Reports](http://rajyasabha.nic.in-Committees-Department%20related%20RS-Committee%20on%20Transport,%20Tourism%20and%20Culture-Reports))
