Movement of Over Dimensional Cargo (ODC)
By
Inland Water Transport

Inland Waterways Authority of India

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IWT scenario

- 14500 kms of navigable inland waterways in India
- **IWAI** - the infrastructure provider, developer & regulator was set up in Oct.1986 through an Act of Parliament
- Only National Waterways come under the purview of Central Govt. / IWAI
- Total length of all 5 declared National waterways is 4434 km.
Protocol routes distances

- Kolkata - Guwahati/Pandu: 1535 km
- Kolkata - Karimganj: 1318 km
- Dhulian-Rajshahi: 78 km

Legend
- Declared National waterway
- Proposed National waterway
- Protocol route
- Road
- Rail
- NH

INDO – BANGLADESH PROTOCOL ROUTES

Bay of Bengal
Statutory Provisions

- IWAI Act 1985 – Section 10 stipulates that the Authority shall act, so far as may be, on business principles.

- IWAI Act 1985 – Section 17 stipulates levy & collection of fee and charges by IWAI for services or benefits rendered in relation to the use of the national waterways for the purposes of shipping, navigation etc.
Development of NWs

• Over the years, GoI through IWAI has made investments of over Rs.850 crore in development of NW 1, 2 & 3
• Investment of Rs.5000 crore is envisaged for development of NW 4 & 5 in the next ten years
• GoI is also making substantial investment in development of Indo-Bangladesh Protocol route & Kaladan Project in Myanmar
• Levy of fee / user charges by IWAI is as per law
Major IWT operators of ODC

Following IWT operators have transported ODC successfully in National Waterways during past few years:

- Urmila Shipping
- Eastern Navigation Ltd
- J.M. Baxi & Co.
- Lots Shipping
Successful ODC Movement

**NW-1**
- 335 Ton ODC – Kolkata to Barh in Aug-Sep 2008
- 337 Ton ODC – Kolkata to Balia in Jan-Feb 2009
- 230 Ton ODC – Kolkata to Jamania in May-Aug’09
- 210 Ton ODC – Kolkata to Jamania in July-Aug’09
- 286 Ton ODC – Kolkata to Barh in Aug-Sep 2009
- 270 Ton ODC – Kolkata to Jamania in Sep-Oct’09

**NW-2**
- 480 Ton & 520 Tonne ODC moved from Kolkata to Jogighopa during Nov 2008 to Feb 2009

**NW-3**
- 800 Ton ODC – Kochi Port to FACT CD in June’09
State of National Waterway

- Successful movement possible due to improved LAD on NWs
- Large number of CSDs & HSDs of IWAI make this possible
  - 4 CSD & 1 HSD in NW 1
  - 1 CSD & 1 HSD in NW 2
  - 2 CSD in NW 3
- Situation expected to improve further by end of this financial year
  - 4 new CSDs in NW 1
  - 2 new CSDs & 1 HSD in NW 2
  - 2 new CSDs in NW 3
Why ODC?

- Large number of successful forays on NWs
- Prospects for increased ODC movement beginning 2009
- ODC movement is largely of ‘Project cargo’
- Movement of ODC by rail/road is extremely difficult due to
  - Carriageway constraint
  - Restricted movement in habited areas
  - Crossings of overhead electric/telephone lines
  - Inadequate strength of bridges, culverts, roads
- ‘Niche’ movement
Why Now?

• Returns on investments by IWAI for IWT development desirable – international practice supports

• USA – Tax on ‘maritime fuel’ to fund development, O&M of waterways

• Bangladesh - Revenue by way of pilotage fee, berthing charge, conservancy fee, terminal charges etc.
Why ODC & Why Now?

- IWAI decided to levy a consolidated fee of Rs.2 per ton per km for providing facilities/services necessary for transportation of ODC by IWT w.e.f. 01.10.2009
- Since ‘development works’ on NW 1, 2 & 3 nearing completion, IWAI facing criticism for **NO USER CHARGES**
- Upon receipt of representations, IWAI kept the decision in abeyance & is holding stakeholder consultations
Stakeholder consultations

- IWAI has held interaction with major IWT ODC operators twice
- In last meeting held at New Delhi on 28.10.09 with operators following decisions were taken.
  - Larger meeting with participation of more logistics operators to be organized.
  - All logistics operators would insert a suitable clause in their contracts signed w.e.f. 1.10.2009 that statutory fees / user charges payable to IWAI would be extra.
  - IWAI will not insist on payment of fee / user charges on contracts concluded before 1.10.2009 in the absence of enabling clause
Rate Analysis

• Farakka Lock gate charges – Rs.20/- per GRT of the vessel
• Data reveals that payment made range from Rs.11740 to Rs.13020 to FBP
• For a 300 MT cargo from Kolkata to Jamania (about 1205 km.), total consolidated charges to IWAI would be Rs.7.23 lakh @ Rs.2 per ton km.
• Keeping in view the heavy investments on NWs & the total project cost, the burden on the Project promoters is rather ‘nominal’
Responsibility of IWAI

- **IWAI will sign MoU with the Logistics firm** regarding timely movement of ODC.
- **IWAI will provide the following**
  - River Pilots
  - Electronic River Charts + software+ maps for all stretches
  - Free berthing & anchoring on its terminals
  - Bunkering on payment at Patna & Pandu
  - Towing facility on payment of POL charges in case of emergency
- **In case there is delay in movement of ODC on account of deficiency in service rendered by IWAI, then the operator will be paid a penalty of Rs.10,000 per day by IWAI.**
- **IWAI will also help in undertaking study of navigability of tributaries of Ganga & Brahmaputra to facilitate navigation upstream**
Way Ahead

• Operator will inform **movement schedule** of ODC to IWAI
• Operator will deposit the fee fixed by IWAI (which includes payment for Farakka Lock Gate)
• IWAI will issue electronic river chart and make other arrangements as per MoU.
• Operator will make arrangement for suitable handling arrangements and further transport facilities as per specific requirement of ODC
THANK YOU
Cutter Suction dredger in Ganga
Hydraulic surface dredger in Brahmaputra
ODC movement in Brahmaputra
ODC movement in Brahmaputra