

Major Port Authorities Act, 2021

The Major Port Authorities Bill, 2020 was introduced in Lok Sabha on March 12, 2020. The bill was passed in the Lok Sabha on September 23, 2020, and in the Rajya Sabha on February 10, 2021. It received President's assent on 17th February 2021 after which it became the Major Port Authorities Act 2021. It has repealed the Major Port Trusts Act, 1963.

The Major Port Authorities Act, 2021 aims to provide for the 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.

About Major Port Authorities Act, 2021

Shri Mansukh Mandaviya, Minister of State (I/C) for Ports, Shipping & Waterways had presented the Bill in the two Houses of the Parliament.

- Major Port Authorities Act 2021 was enacted after Major Port Authorities Bill received the assent of the President and replaced the previous Major Port Trusts Act, 1963.
- A Board of Major Port Authority to be created, for each major port. These Boards will replace the existing Port Trusts under the 1963 Act, which is comprised of members appointed by the central government
- The act 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

Ports Included in the Major Port Authorities Act, 2021

The act applies to 12 major ports:

1. Deendayal (erstwhile Kandla)
2. Mumbai
3. JNPT
4. Mormugao
5. New Mangalore
6. Cochin
7. Chennai
8. Kamarajar (earlier Ennore)
9. V O Chidambarnar
10. Visakhapatnam
11. Paradip
12. Kolkata (including Haldia)

Aims & Objectives of the Act

Given below are the objectives of introducing the Major Port Authorities Act 2021:

- It aims to promote the expansion of port infrastructure and facilitate trade and commerce
- Its objective is to decentralize the decision making and to infuse professionalism in the governance of major ports
- The act is aimed at reorienting the governance model in central ports to landlord port model in line with the successful global practice
- It imparts faster and transparent decision making benefiting the stakeholders and better project execution capability

Board of Major Port Authority & Composition

- The new act 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
- Provision has been made for the inclusion of representatives of:
 - State Government in which the Major Port is situated
 - Ministry of Railways
 - Ministry of Defence and Customs
 - Department of Revenue
 - A Government Nominee Member
 - A member representing the employees of the Major Port Authority
- **Adjudicatory Board** - 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 Public-Private Partnerships (PPP) concessionaires, to review stressed PPP projects and suggest measures to review and revive such projects

Powers

- The Act allows the Board to use its property, assets and funds as deemed fit for the development of the major port
- The Board can also make rules on:
 - Declaring availability of port assets for port-related activities and services
 - Developing infrastructure facilities such as setting up new ports, jetties
 - Providing exemption or remission from payment of any charges on any goods or vessels
- The role of the Tariff Authority for Major Ports (TAMP) has been redefined. Port Authority has now been given powers to fix a tariff that 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
- Under the act, to meet its capital and working expenditure requirements, the Board may raise loans from any:
 - Scheduled bank or financial institution within India
 - Any financial institution outside India that is compliant with all the laws

Significance of the Act

- The Major Port Authorities Act, 2021 is in line with the Prime Minister's Atmanirbhar Bharat Campaign. It will help India become a global manufacturing and trading hub
- It imparts faster and transparent decision making benefiting the stakeholders and better project execution capability
- The act reorients the governance model in central ports to landlord port model in line with the successful global practice

Criticism against Major Port Authorities Bill 2020

The Rajya Sabha passed the Major Ports Authority Bill, 2020 with 84 votes in favour and 44 against. The reason for this criticism was that it allegedly aims to privatise Indian ports and dilute the powers of the states on land use.