

1. Lack of professionalism and autonomy of the major port boards led to the dismal performance to the ports in India. Critically comment in the light of Major ports authorities act, 2016.

(12.5 Marks)

Answer:

Background:

- Major Port Authorities Bill, 2016 aims to empower 12 major ports by providing them full autonomy in decision-making in order to enhance their efficiency.
- It replaced Major Port Trusts Act, 1963.

Provisions and significance:

- **Could spur private investments in port projects**
 - Seeks to infuse professionalism and increase the autonomy of the 12 port boards and, more importantly, allow future public-private partnership operators to fix tariffs based on market conditions and only notify the port authority.
- **No need for center's approval every time:**
 - The port authorities will get the power to lease land for port-related use for up to 40 years and for non-port related use up to 20 years
 - The Centre's approval will be needed only for longer leases.
 - Port boards would not need government approval for raising loans, appointment of consultants, execution of contracts and creation of service posts.
- **Divesting TAMP:**
 - The proposal to divest the bungling Tariff Authority for Major Ports (TAMP) of the power to regulate tariffs is a big positive.
 - 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 the port authority has been delegated the power to fix the scale of rates for other port services and assets including land.
- **Removes the string of PPP problems:**
 - Most of the following issues will be addressed:
 - Port trusts' inability to lease out land to private operators in time
 - delays in approvals from multiple agencies
 - rows over interpretations of the concession agreement, often leading to litigation
 - Although 100 per cent FDI is allowed, global tenders are still not the norm due to security threat perceptions.
 - Faster and transparent decision making will benefit stakeholders & better project execution capability
- **Composition of the board is simplified:**
 - The Bill proposes to simplify the composition of the port boards: These will comprise 11 members from the present 17 to 19 members representing various interests.
 - Introduce professionalism in governance of major ports.

- **Independent review board:**
 - An independent review board has also 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.
- Concept of internal audit of the functions and activities of the Central Ports has been introduced on the lines of Companies Act, 2015
- Provisions of CSR & development of infrastructure by Port Authority have been introduced.

Concerns:

- **Future of the port employees would be at stake if the Act was implemented**
 - Once the Act was implemented, no labour representation could be made to address their grievances.
 - Moreover, the Act empowered the port authority to either acquire new property or dispose of the existing property on its own. Even ports could be leased out
 - Around 45,000 employees of various sea ports had been relying on the Central government to protect their interests

PRACTICE QUESTIONS

Answer the following Questions**(12.5 Marks)**

1. Examine the availability and extent of ground water resources in India. What are the reasons for the declining ground water and suggest measures for its effective management.
2. While India has retained a near monopoly regarding naval presence in Indian Ocean; it has recently been challenged aggressively by China. Examine the geopolitical significance of the Indian Ocean region in context of the above statement.