Amendments to Major Port Authorities Bill 2016

Why in news?

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- Union government has approved official amendments to the Major Port Authorities Bill 2016.
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- The amendments are based on the recommendations of the department related parliamentary standing committee.
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What is the MPA 2016 bill about?

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- Under the Major Port Authorities Act 1963, 12 major ports had been created in India.
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- All major ports are managed by the respective Board of Port Trusts.
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- Trusts have members appointed by the central government.
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- The MPA, 2016 Bill provides for the creation of a Board of Major Port Authority for each major port.
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- The Boards will succeed the existing Port Trusts.
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- The proposed Board will comprise of a Chairperson and a deputy Chairperson.
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- Both of them will be appointed by the central government on the recommendation of a select committee.
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- Besides, the Bill allows for more Private-Public partnership and market based tariff fixing for generating revenues.
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What are the recent amendments?

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- The Cabinet has recently accepted some of the recommendations of the Standing Committee on the Bill.
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- The number of the Labour representatives to be appointed in the Port Authority Board among the serving employees of the Port has been increased from one to two.
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- This is to represent the interests of the employees.
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- The focus is also being emphasised on re-skilling the workforce.
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- After commencement of the Act, for PPP projects, the concessionaire shall be free to fix the tariff based on market conditions.
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- Presiding Officer and Members of the Adjudicatory Board shall be appointed by the Central Government.
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- This would be on the recommendations of the Selection Committee.
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- Central Government shall have the power to remove the Presiding Officer or any member of the Adjudicatory Board following the prescribed manner.
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What are the existing concerns in ports?

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- Trust boards have turned into fiefdoms of bureaucrats and politicians.
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- The development of ports has suffered, with decisions not being taken in an objective, transparent manner.
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- India’s ports account for over 70% of India’s international trade by value.
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- It’s necessary to address inefficiencies such as high turnaround time of

ships by stepping up modernisation and grappling with careless management.
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- Specialised cargo handling berths have a higher scope for PPP, mechanisation and improved efficiencies.
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What is the significance of the bill?

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- The Bill comes as a measure for addressing the technical and governance issues in the ports.
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- It paves the way for **governance reform** in the management of 11 out of 12 major ports in India that now run as trusts. Notably, the Ennore port is a company.
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- The Centre acts as both regulator and service provider in these.
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- Under the provisions of the Bill, the **government** would only **regulate** the services provided by private players.
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- It will **not** be a **service provider** itself.
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- It thus addresses the issue of **conflict of interest**.
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- The new Bill marks an effort to promote **ease of doing business**.
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- With ‘authority’ status, ports will have a smaller **management** board.
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- This enables **expedient decisions** on modernisation and use of port trust lands in the public interest.
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Source: PRS, Business Line

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