

S. 180-9

Government of India (भारत सरकार)
Ministry of Railways (रेल मंत्रालय)
(Railway Board रेलवे बोर्ड)

No.TC-I/2018/302/5

New Delhi, Dt. 15.01.2019

Principal Chief Commercial Manager
South Central Railway

Sub: Haulage Charge recoverable for movement of containers under Hub & Spoke system

- Ref: (i) Rates Circular No.38 of 2012 & Rates Master Circular/CRT-CCR-Hub&Spoke/2015/0 dt.07.04.2015
(ii) SCR's letter No.C.307/CONCOR/05/Vol-IX dt.19.12.2018

Please refer to SCR's letter No.C.307/CONCOR/05/Vol-IX dt.19.12.2018 forwarding certain suggestions of CONCOR regarding Hub & Spoke charging.

In this regard, it is to state that the extant policy guidelines for Hub&Spoke charging are prescribed vide Rates Circular No.38 of 2012(incorporated as Subject-III of Rates Master Circular dt.7.04.2015) and the same holds good. At present no change is required.

This issues in consultation with the T.T Dte. of Ministry of Railways.

Shilpi Bishnoi
15-01-19

(Shilpi Bishnoi)
Director, Traffic Commercial(Rates)
Railway Board



SOUTH CENTRAL RAILWAY

Headquarters Office
Commercial Branch
Secunderabad
Dt: 19.12.2018

No. C.307/CONCOR/05/Vol-IX

Director
Traffic Commercial (Rates)
Railway Board
New Delhi.

Sub: Request from CONCOR for extension of Hub & Spoke benefit in case of change of Rake at the HUB.

1. M/s.CONCOR vide their letter dated 12.11.2018 (copy enclosed) requested for extension of Hub & spoke benefit to
 - (a) the containers booked from spoke-1 to spoke-2, which are unloaded at Hub point and reloaded onto another Hub & Spoke rake (flat wagons).
 - (b) the containers booked from spoke-1 to spoke-2, which are unloaded at Hub point and reloaded onto another Hub & Spoke rake even after five days.
2. In this connection, the following Railway Board's guidelines are reproduced :
 - 2.1 ED, Traffic Transportation, Railway Board, vide letter no. 2008/TT-III/73/8 dated 01.07.2008 have circulated guidelines on Container traffic. Vide Para 4.0 of the circular, guidelines were issued on documentation and calculation of haulage charges under **Hub & Spoke** system.
 - 2.2 Para 4.3 of the guidelines state that the haulage charges for the loaded container will be charged from the originating point to the destination point for the entire distance of actual haulage via the specified hub. In terms of Para 4.4, for the loaded/empty containers transshipped at the Hub, a subsequent RR with zero freight will be prepared for the distance from the Hub to the destination, duly cross referring the original RR and the originating point on the subsequent RR.
3. Subsequently, Dy.Director, Traffic Commercial-I, Railway Board, vide letter No. 2007/TC-I/302/1Pt.H dated 14.12.2012 (RC 38 of 2012) communicated that the Board's letter indicated in Para No.1 above has been modified and the following guidelines are issued.
 - 3.1 At the time of first booking, the Container Train Operator (CTO) shall declare the list of containers that are to be transported to destinations through designated Hub(s). Stuffing/de-stuffing of such containers at any time during transit will not be permissible.
 - 3.2 RRs shall be generated for each leg of the movement separately. However, the linkage of RRs so generated for movements under the Hub & Spoke system shall be maintained for all in-transit containers; all adjusted RRs will have reference to the previous RRs and this information shall be displayed on the container-wise Annexure sheets that form part of the RRs even presently.
 - 3.3 Loaded containers that idle at a designated Hub during transit for a period of five days (which shall be a parametric value) or more would be treated as having been delivered short of destination. In case such containers are ultimately dispatched to their original destinations, through distance or telescopic benefit would not be applicable.

*modified
by RC-38/1
2012*

Further, Director, Traffic Transportation (POL), Railway Board, vide letter No.2011/TT-III/73/9 Vol.II dated 16.05.2017 issued guidelines in supersession of Para 4.0 of the Board's guidelines indicated in para 2 above. The revised instructions are as under:

- 3.4 Para 2.3 - The haulage charges for the loaded container will be charged from the originating point to the destination point for the entire distance of actual haulage via the specified "Hub".
- 3.5 Para 2.4 - For the loaded/empty container transshipped at the "Hub", a subsequent RR with "Zero" freight will be prepared for the distance from the hub to the destination, duly cross-referring the original RR and the originating point on the subsequent RR.
4. It has been observed from the FOIS/TMS module that the RRs under Hub & Spoke system are being issued in terms of Rates Circular No.38 of 2012. In other words, the RRs are being generated for each leg of the movement separately.

Eg: The rake consisting of 45 BLC wagons of which 10 wagons will be loaded at CMCT (spoke 1) and remaining 35 wagons will be loaded at CSTN (Hub) for the destination JNPT (spoke 2).

The TMS module is issuing the first RR from CMCT to CSTN (first leg of movement) for 10 loaded wagons and the second / final RR for the second leg of movement is being generated from CSTN to JNPT, which includes the first RR freight and details.

Also, in another example of dissemination of traffic, Hub & Spoke rake is booked from JNPT (Spoke 1) to CMCT (Spoke 2) via CSTN (Hub). 30 wagons with loaded containers are booked from JNPT to CSTN and remaining 15 wagons with loaded containers are booked to CMCT. In this case, CONCOR is unloading all the containers at CSTN, including the 15 wagons meant for CMCT and sending the loaded rake back to JNPT. These unloaded containers meant for CMCT are idled at CSTN until a next Hub & Spoke rake arrives at CSTN and then loaded on this rake for transporting to CMCT. This is done in order to avoid payment of haulage charges for empty flat wagons of the first Hub & Spoke rake from CSTN to the CMCT.

CONCOR's contention is that Hub & Spoke benefit is extended to loaded containers from originating point to the destination point and not to the loaded wagons/rakes. As such, Hub & Spoke benefit should be extended irrespective of change of rake at the Hub.

5. In this regard, it is to submit that CRIS have not updated the guidelines issued vide Container Train Circular No.6 of 2017. As such, the RC 38 of 2012 is in vogue even today.
6. In view of the foregoing, Railway Board is requested to
- advise CRIS to update the provisions of Hub & Spoke system issued vide Container Train Circular No.6 of 2017 dated 16.05.2017 in the TMS module.
 - examine the issue of permitting to re-load the previously unloaded containers at the Hub, onto another rake for movement to spoke-2, if the rake is booked under Hub & Spoke system.
 - Clarify whether para (v) of RC 38 of 2012 dated 14.12.2012, regarding permission for idling of loaded containers at designated Hub during transit for a period of five days or more, is still applicable.

This has the approval of PCCM.


(B.D.Christopher)
Dy.CCM/FS

for Principal Chief Commercial Manager