

Proposal for Road and Port Improvement



Roads and Ports Infrastructure Committee

1. Roads in Chennai area

- 1) SH57 between NH4 and NH 45 / around Oragadam area
- 2) NH5 leading to “Mahindra Industrial Park Chennai” etc.
- 3) Overhead wiring & railway barricade at the crossing Kamarajar Port Gate
- 4) Key trunk roads for CBIC (Chennai Bangalore Industrial Corridor)

2. Ports in Chennai area

1) Improve operation related to ports

(A) Customs clearance procedure

(B) Port entry regulation for foreigners

(C) Chennai Port - Tiruvottiyur trailer parking yard

(D) Chennai Port - Gate operation

2) Improve service of Kamarajar Port

(A) Paint contamination on export cars at storage area

(B) Heavy damage by the high tension voltage cable

(C) Swell problem

3. Flood prevention

- 1) Damage to Japanese companies
- 2) Proposed countermeasures

1-1) SH57 between NH4 and NH45

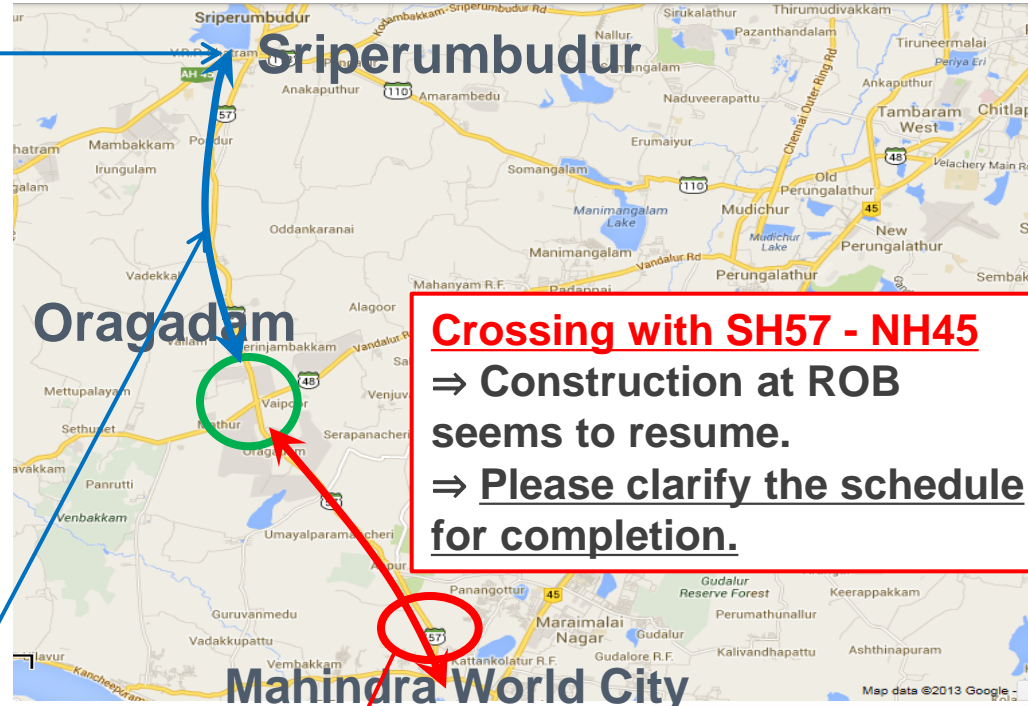
- <Top Priority> Widening development of each crossing with SH57 – NH4 and SH57 – NH45 (Please indicate the expected date of completion)



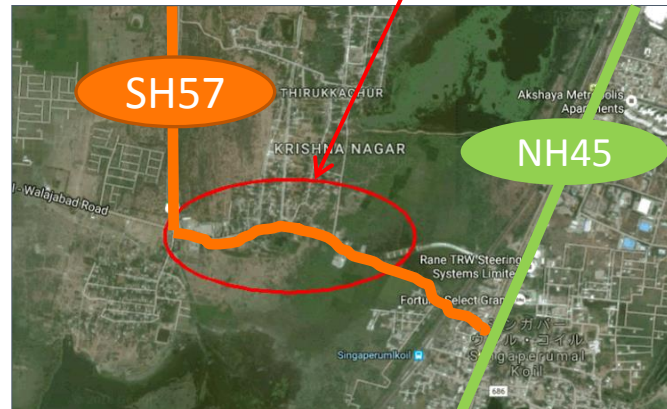
Crossing with SH57 - NH4
⇒ Not started widening yet
⇒ Please ensure that the work will be completed as per GoTN committed, i.e. by Mar. 2017.



North side of Oragadam
⇒ Widening almost done



Crossing with SH57 - NH45
⇒ Construction at ROB seems to resume.
⇒ Please clarify the schedule for completion.

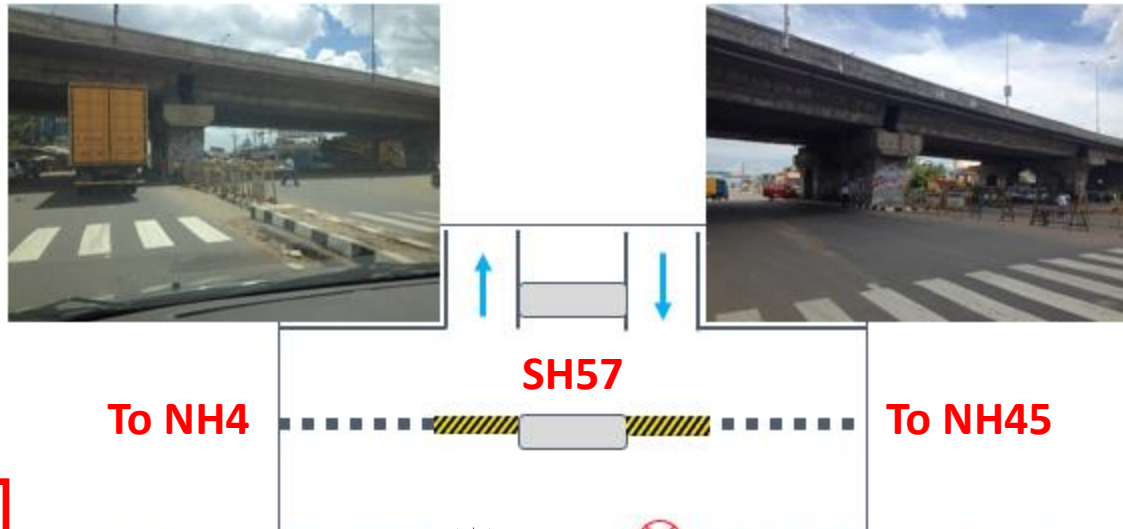


Widening is under way.
Please clarify the schedule for completion.

1-1) SH57 around Oragadam area

Current status of Oragadam Junction

- Flyover at Oragadam junction was completed in Dec. 2014.
- <Top Priority> Flyover byroad and crossing under the flyover
(Please indicate the expected date of completion.)



Temporary pavement was done, but house still not removed and widening not done.



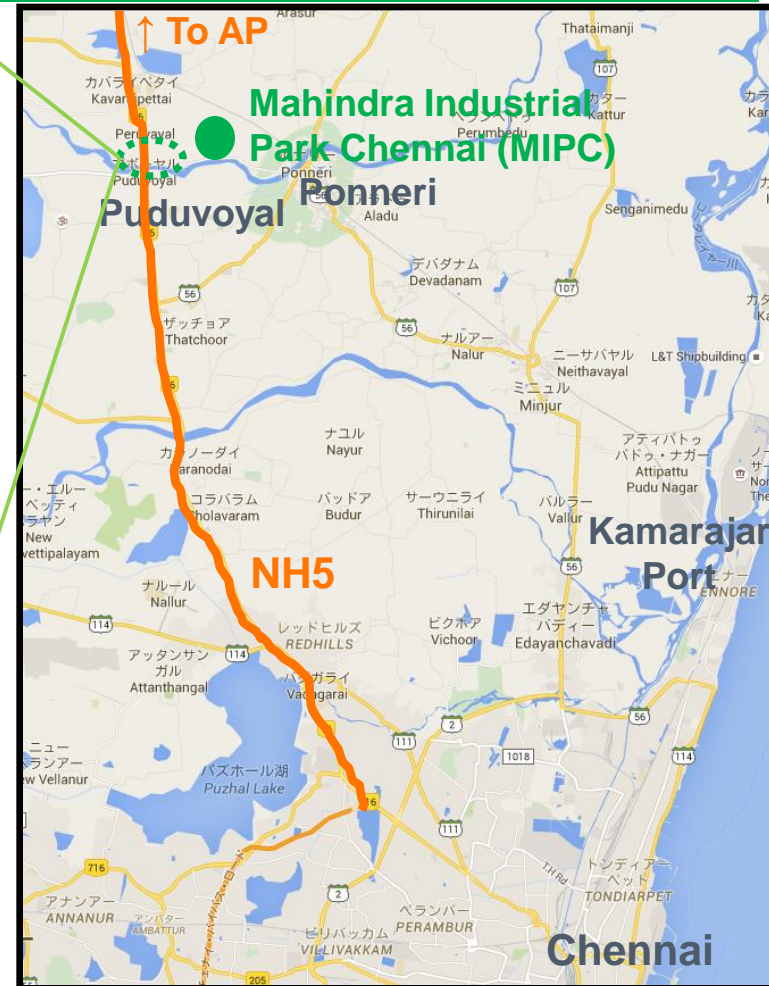
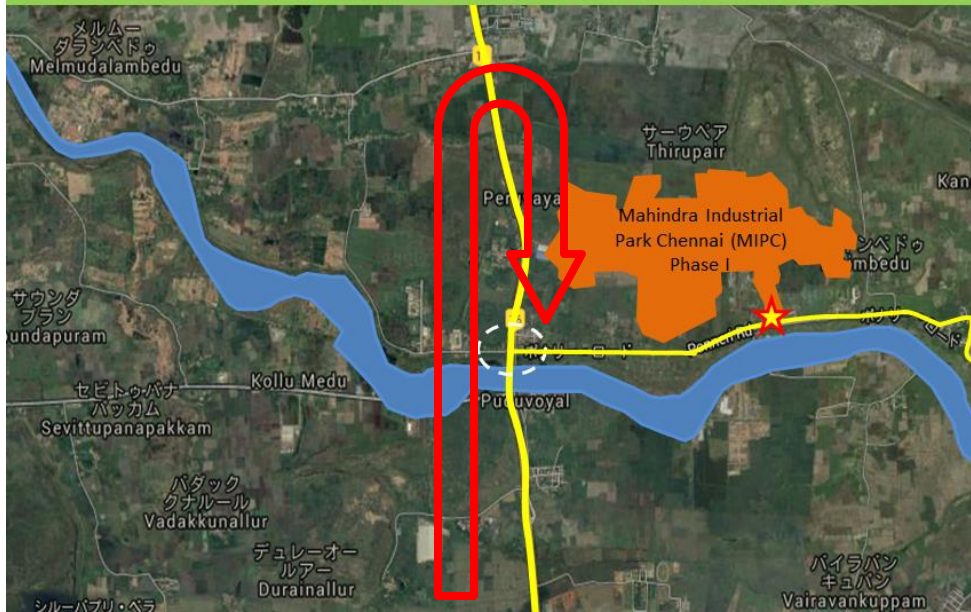
The facing traffic is very dangerous.



Not started widening and pavement. This is the cause of congestion on opposite road.

1-2) NH5 leading to “Mahindra Industrial Park Chennai” etc.

NH5 – “Puduvoyal to Pulicat Road”



- The entrance of MIPC will be located along ‘Puduvoyal to Pulicat Road’, and the efficient access from NH5 to the Road is very significant. However, the vehicle which goes north is unable to turn NH5 to the right due to the center divider, and is forced to go straight and U-turn.
- We’re worried that the above situation will cause the heavy congestion at NH5.
- Request to start construction of an Under-Pass with service roads in this year and complete it within 2017 as per GoTN commitment.

1-3) Overhead wiring & railway barricade at the crossing Kamarajar Port Gate

- The overhead wiring and the railway barricade at the crossing in front of Kamarajar Port's Gate is an obstacle for Japanese companies to carry the cargos. They have been forced to pass the crossing after dismantling, in case they carry the oversize cargo.
- Request to consider the possibilities of three countermeasures as follows;
 1. Introduction of the diesel freight train which requires no overhead wiring
 2. Removal of the overhead wiring only at part of the crossing (Train can pass through by the force of inertia).
 3. Introduction of the system that the overhead wiring at the part of the crossing can be raised every time in case of necessity with no application.



1-4) Key trunk roads for CBIC

- Under CBIC initiatives, early implementation of “Ring Road” is priority.
- Connecting between Northern Port Access Road and ORR, and improvement of SH57 are priority sectors in the Ring Road project.

Outer Ring Road

- 71.5% of Phase 2 (Nemilicheri – Minjur) work are completed.
- **GoTN has assured that the work will be completed in Sep. 2016. Has the road been operational yet?**

Peripheral Road

- GoTN and JICA decided it would be early-bird project of CBIC.
- **Please let us know the current situation on the negotiation with JICA, and indicate the expected date of completion.**



Priority sectors

Northern Port Access Road

- Connecting to ORR is efficient for easier access to Kamarajar as well as Katupalli.
- Please ensure that Kamarajar port and Minjur becomes part of the Northern Port Access Road.
- **Please indicate when the actual work will commence and be completed.**

Improvement of SH57

- Need to be widening of SH57 and complete construction of connecting between NH4 & NH45.

2-1) Improve operation related to ports

(A) Improvement of the customs clearance procedure

(a) Current situation

- Procedure for import/export in ports around Chennai is so much obscure due to frequent modification of the rule which even officials in the port are not aware of.
- Some of on-line application for tariff exemption such as EPCG license scheme has not been operated in effective manner.
(ex) An application submitted by on-line is appraised by manual basis. Officials in ports need to obtain each approvals by paper documents.
- Due to frequent system failure occurred, any cargo could not pass through customs clearance till system recovered.
- Officials in ports couldn't show up at the customs clearance in case of meetings and staff transfer (No support from other officials).

2-1) Improve operation related to ports

Current situation 1: Duration of receiving dry container in Chennai Port

Example of a Japanese company (unit: day)

BOE Filed date (Bill of Entry)	Assessment by customs	Duty paid	Examination on cargo	Truck Departure	Site arrival	Total days
Average data from Apr 2014 to Sep 2014						
6.3	5.4	0.8	1.3	0.9	1.2	15.7
Average data from Jan 2015 to Aug 2015						
4.9	1.1	1.4	0.5	0.4	1.1	9.4
Average data from Sep 2015 to Jul 2016						
6.3	1.1	1.0	2.3	0	1.0	11.7

In Japan, Almost 3 hours to complete "Entry process"

In the same case in Japanese port,
almost 2days to complete all process

2-1) Improve operation related to ports

Current situation 2: Record of accident regarding customs clearance in Chennai

Survey by JCCIC

The time period of this survey is from Jan to Aug 2016.

System failure issue

Occur	Settle	Issue	Result
2-Jan	4-Jan	ICE-GATE system failure	Suspended Customs clearance process
27-Jan	28-Jan	ICE-GATE system failure	Suspended Customs clearance process
6-Feb	12-Feb	ICE-GATE system frequent failure	Suspended Customs clearance process
22-Feb	23-Feb	ICE-GATE system failure	Suspended Customs clearance process
29-Feb	2-Mar	ICE-GATE system update	Suspended import declaration process
3-Mar	4-Mar	ICE-GATE system failure	Suspended Customs clearance process
29-Mar	30-Mar	System failure in Airport Customs	Suspended Customs clearance process
1-Apr	5-Apr	ICE-GATE system update	Suspended Customs clearance process
12-Apr	13-Apr	ICE-GATE system failure	Suspended Customs clearance process
18-Apr	19-Apr	System failure in Airport Customs	Suspended Customs clearance process
17-Aug	17-Aug	ICE-GATE system failure	Suspended Customs clearance process

Strike

7-Jan	8-Jan	Strike against the procedure delay by trailer owner's association	Delayed import / export process
1-Mar	2-Mar	Strike against the procedure delay by trailer owner's association	Delayed import / export process
4-Aug	4-Aug	Strike by airport bonded warehouse employees	Delayed loading & unloading
8-Aug	10-Aug	Strike against the procedure delay by trailer owner's association	Delayed import / export process

2-1) Improve operation related to ports

(b) Existing problems

- Procedure for import/export has been stuck frequently due to the sudden complaint on tax payment.
- On-line application system is not working effectively for shortening time in customs procedure.
- Modification of the rules is not disseminated to users as well as to officials in customs clearance
- Officials may not able to take on a lot of applications due to lack of number of officials.

(c) Possible solutions

- Having a meeting with users and officials in customs clearance for explaining new/modified rules of procedure before it comes into effect.
- Review of on-line application system, and operate in effective manner
- Increasing number of officials in customs clearance for the purpose of user-friendly services

2-1) Improve operation related to ports

(B) Simplification of port entry regulation for foreigners

(a) Current situation

- Foreign nationals who belong to port service company in the port are required to apply for obtaining “port entry pass” every time when they need to enter the port, despite the fact that they have to work inside the port almost every day.
 - Application has to be done 2 days before of entry to the Immigration.
 - Applicants must take 2 days gap after last entry to next entry.
 - Procedure is not disclosed in writing which causes different and arbitrary treatment for each application.
- Unable to enter the port without application even in emergency cases.
- Indian nationals are able to take 1 year entry pass.

2-1) Improve operation related to ports

(b) Existing problems

- There is **no Multi-Entry-Pass towards foreigners who work in port regularly.**

[Ref: Required documents for every application]

Original passport / Immigration arrival stamp / Visa /

Residential permission / Letter from company to assure the foreigners /

Application form

(c) Possible solutions

- **Issuing Multi-Entry-Pass** at least for a year for such regular workers likewise Indian nationals, as one of same employees of the port service company.
- Issuing Entry-Pass as soon as receiving the application, with no waiting time.

2-1) Improve operation related to ports

(C) Chennai Port - Current status of Tiruvottiyur trailer parking yard



Tiruvottiyur trailer parking yard

- Around 400 trailers are to be parked. Sure to contribute to solve road congestion problem.
- Need to utilize it effectively to organize each cars and trailers.
- **Please let us know the current status and the time schedule for the practical implementation.**



Pass section in the parking yard

2-1) Improve operation related to ports

(D) Chennai Port - Improvement of gate operation

(a) Current situation



Source: JICA Study Team

- Only TWO gates (Gate No.1 & 10) are available in Chennai port
- Serious congestion happens in and around Chennai port due to gate operation as well as existing narrow roads in backyard of port.

(b) Possible solution for mitigating congestion

- Identify more gates for utilizing as “exit” only, though Gate No.2A is already open only for exit of empty vehicles from 11PM to 5AM.
- Allocate one gate to operating companies of container terminal and entrust them to manage the gate.



2-1) Improve operation related to ports

(c) JICA Study

“The Project on Improvement of Chennai Port Operation”

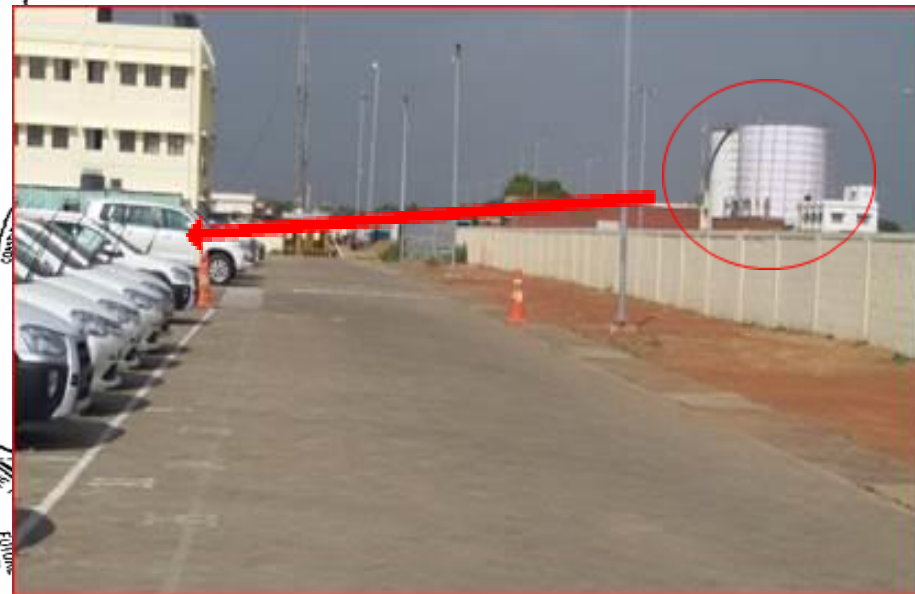
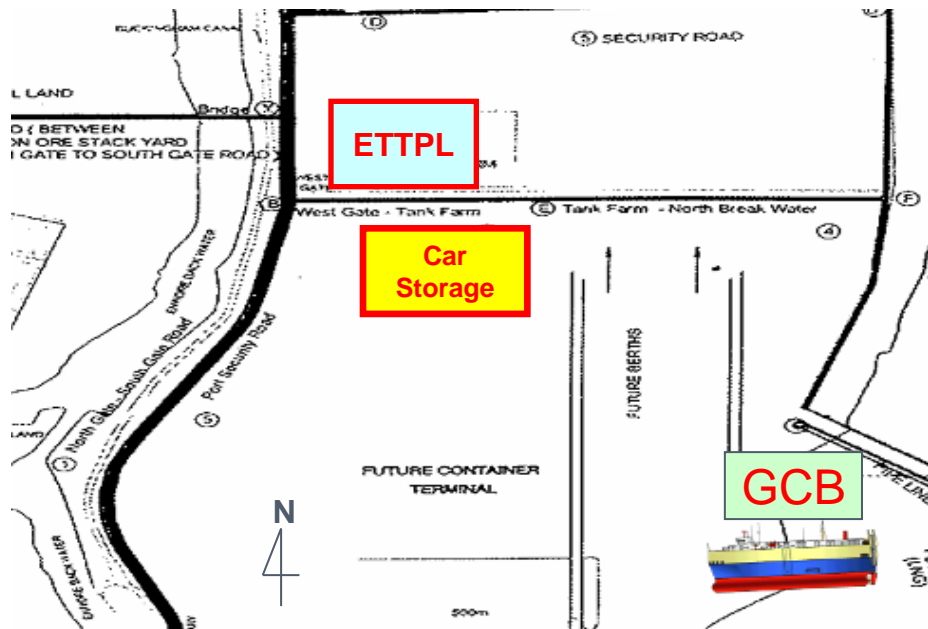
JICA study on “Improvement of Chennai Port Operation” which includes improvement of gate management has been extended to Aug. 2017. Request ChPT to practice the suggestions by JICA and accelerate implementation to mitigate congestion around the port, reflecting on the result of JICA study over 2 years.



2-2) Improve service of Kamarajar Port

(A) Paint contamination on export cars at storage area from ETTPL

- Paint contamination on around 8,000 units of export cars in the storage area occurred on Friday 11th March 2016. The source of this paint contamination was due to spray painting work carried out by ETTPL (Ennore Tank Terminal) during night time.
- This paint contamination brought delay of shipment and additional expenses due to washing and removal work to four automakers.
- **Request Kamarajar port to make regulation to avoid recurrence of the same kind of contamination and ask the parties concerned to follow it.**



2-2) Improve service of Kamarajar Port

(B) Heavy damage by touching the high tension voltage cable outside Kamarajar Port

- The fire accident happened outside port compound wall near pass section of Kamarajar Port on 25th June 2016. While the trailer parks close to the wall which is nearer to Gate No.1 for making port entry pass, the trailer roof touched with high tension voltage cable which was lying low, immediately the trailer caught fire, driver felt electric shock and jumped out of the trailer. Within few minutes, all 8 Japanese export cars caught fire and were completely damaged along with the trailer. The same kind of fire accident has happened twice! (28th Jan. 2013 and 9th June 2016)
- At the ninth JCCIC – GoTN meeting on 19th July, it was explained that the work to lay the high tension voltage cable underground would be completed in the next 30 to 40 days. However, the work wasn't over yet in this September. Please clarify the schedule for completion.



2-2) Improve service of Kamarajar Port

(C) Swell problem

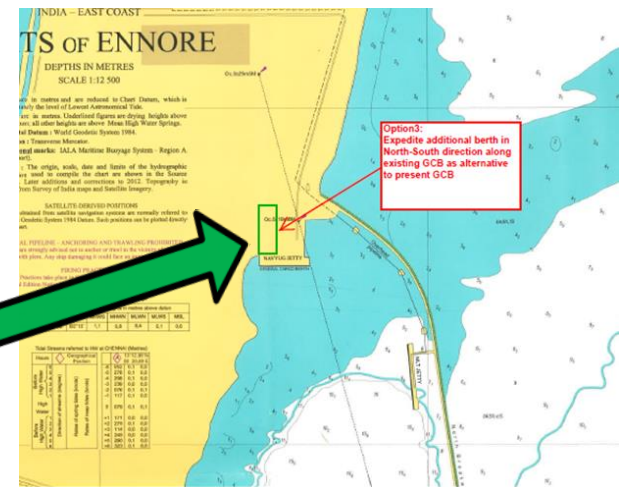
- We understand KPL has taken the countermeasure of the construction of the additional berth along the existing GCB as an alternative to the present GCB, in order to mitigate the Swell problem.
- **Has the final clearance from Ministry of Environment, Forest & Climate Change (MoEF) been obtained yet? Please ensure that the additional berth will be operational within 2018 as committed by KPL.**



Damaged GCB by swell



GCB



**Option3:
Expedite CONSTRUCTION of
additional berth in North-South
direction along existing GCB as
alternative to present GCB**

3-1) Flood prevention: Damage to Japanese companies

<JCCIC survey results on damage caused by flood>

- Survey Period: 11th Dec. 2015 – 11th Jan. 2016
- Survey Coverage: All members of JCCIC (187 companies)
- Responding Companies: 84 (Percentages of response: 44.9%)
- Results: (1) Number of affected companies: 36

(2) Total amount of loss estimated: over INR 340crore

* The amount includes production loss, opportunity loss, material damage, and personnel cost (ex: accommodation fees for displaced employees).

Company A



Water intrudes into factory



Inside office site

3-1) Flood prevention: Damage to Japanese companies

Vendors of company A



3-1) Flood prevention: Damage to Japanese companies

Vendors of company B



Water intrudes into building



Factory surroundings



Factory surroundings



Water logging at dispatch yard

3-1) Flood prevention: Damage to Japanese companies

Company C



Main gate



Max Water Level
1.6m

Administration building



Max Water Level
1.6m

Outside main plant building



Max Water Level
1.3m

Max Water Level
1.3m

Inside main plant building

3-2) Flood prevention: Proposed countermeasures

- Strengthening the countermeasures against heavy rain and flood is not only one of the important points for investment and business expansion by Japanese companies, but essential for attracting large foreign investors which is one of the policy targets of GoTN.
- We hope GoTN will take prompt measures to mitigate future flood related damages proactively.

Proposed countermeasures

- Improvement of drainage by dredging rivers / canals.
- Change of flow routes of rivers / canals, and construction of dikes at the places where flood tends to happen.
- Introduction of the water management system of reservoirs utilizing the weather monitoring system.
- Construction of spare reservoirs which are exclusively used for flood prevention.