

EAST COAST RAILWAY

Office of the
Chief Commercial Manager
Bhubaneswar

Commercial Circular No.101(G)/2014

Date.18.08.2014

Sub: AUTOMATIC FREIGHT REBATE FOR TRAFFIC LOADED IN INTER-ZONAL TRADITIONAL EMPTY FLOW DIRECTION.

In compliance to the Budget announcement made by the Hon'ble Minister of Railways while presenting the Railway Budget 2014-15, Ministry of Railways has decided to launch a scheme for granting automatic freight rebate for traffic loaded in inter-zonal traditional empty flow direction as a pilot project. A copy of the scheme is enclosed herewith.

As the scheme envisage automatic rebate in freight, CRIS will develop necessary software for its timely and effective implementation.

This scheme will come into force with effect from 1st October 2014 and will remain in operation till 30th September 2015.

This issues in consultation with Traffic Transportation Directorate and with the concurrence of Finance Directorate in the Ministry of Railways

All concerned to note and act accordingly.

Encl: As above of 03 pages

Authority: Railway Board's letter No.TCR/1078/2014/14 dtd.13.08.2014
(Rates Circular No.25 of 2014)

(R.N.Nayak)

Sr. Commercial Manager (Claims)
For Chief Commercial Manager

No.CCM/481/FIS/Pt-III

Dt.18.08.2014

All Station Managers/ Goods Supervisors/Commercial Supervisors /Siding Clerks / Booking Clerk in Charges / Weigh Bridge Clerks / Clerk in Charges .

Copy for information and necessary action to the:-

COM: ECoR., SDGM/ECoR/BBS, Chairman/RCT/BBS, Dy.CVO/ECoR/BBS, Dy.COM(FOIS)/ECoR/BBS, PO/RCT/BBS, Audit officer/BBS. Rates Section /CCM/ECoR/BBS-10 sets DRM: KUR,WAT,SBP/ECoR, Sr.DOM- WAT,SBP,KUR/ECoR, Sr.DCM: KUR,WAT/SBP/ECoR, Dy.CCO/ECoR, FA & CAO/BBS: E.Co.Rly, FA&CAO(T)/ECoR, Traffic Manager: Visakhapatnam PortTrust, Paradeep Port/ Paradeep.

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(R.N.Nayak)

Sr. Commercial Manager (Claims)
For Chief Commercial Manager

AUTOMATIC FREIGHT REBATE FOR TRAFFIC LOADED IN INTER-ZONAL TRADITIONAL EMPTY FLOW DIRECTION

1) Objective:

A pilot project to garner additional revenue by a suitable pricing mechanism, whereby automatic rebate from the computerized FOIS system will become available to customers offering traffic over the present expected levels of loaded movement in inter-zonal traditional empty flow direction.

2) Traditional Empty Flow Direction

As a pilot project, this scheme will be implemented initially only for BCN group of rakes originating from (i) Southern Railway to South Central Railway and (ii) North East Frontier Railway to ER/SER/WCR/NR.

3) Incentive

All the loaded rakes from SR to SCR and NFR to ER/SER/WCR/NR will be charged at Class-LR1 for trainload traffic and Class 100 for wagonload traffic irrespective of the terminal, commodity and customer, after crossing the benchmark as defined in Para 4 below.

4) Benchmark

- (i) Average of month-wise NTKM of total traffic for two previous years for the specified empty flow direction shall be taken as the monthly benchmark. While calculating the benchmark, the NTKMs earned by the restricted commodities (Para-6 below) should not be taken into account.
- (ii) NTKM of a particular month would be calculated and compared by FOIS with the monthly benchmark. The rake, on which the monthly benchmark NTKM (as calculated in terms of para (i) above) is achieved, will be the last rake for which full tariff as per the class of the commodity would be charged. From the next rake onwards in that month, system will automatically calculate the freight at Class LR1 for the train load or at Class 100 for the wagon load, as the case may be, irrespective of the class of the commodity.
- (iii) The benefit under the scheme would also be available for new traffic.
- (iv) The process as indicated at (i) to (ii) above would be followed each month till the operation of scheme.

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5) Permitted terminals

All (Goods sheds, Sidings and PFTs)

6) Restricted commodities:

Following commodities will not be eligible under this scheme:

- (i) Iron ore
- (ii) Coal & Coke
- (iii) RMC traffic and
- (iv) Commodities under Class LR2 and LR3

7) Lead restriction

Upto 200 km (≤ 200 kms)

8) Permitted wagons

BCN group (BCN, BCNA, BCNAHS, BCNHL etc.) of rakes moving from

- (i) Southern Railway to South Central Railway and
- (ii) North East Frontier Railway to ER/SER/WCR/NR.

9) Concurrent freight concession:

Freight concession under following schemes will be permitted concurrently alongwith this scheme:

- (i) Incentive Scheme for Incremental Traffic
- (ii) Incentive Scheme for Traditional Empty Flow Direction
- (iii) 6% concession from and to North East
- (iv) Liberalized Siding Rules

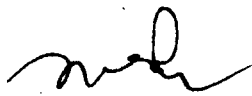
However the freight charged shall not be lower than Class LR1 for train load and Class 100 for wagon load traffic.

10) General Conditions:

- (i) The scheme will be applicable to all terminals of concerned Zonal Railways.

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- (ii) Customer need not apply under this scheme; FOIS system will automatically calculate the concessional freight once the monthly benchmark as defined in the scheme is achieved.
- (iii) The scheme shall be valid for one year.
- (iv) The minimum offer of traffic shall be for 20 wagons for BCN/BCNA/BCNAHS and 29 wagons for BCNHL. However, the charging would be done on train load basis only if extant conditions for train load rate benefit are fulfilled.
- (v) Traffic booked under this scheme will not be rebooked, diverted or given delivery short of destination.

However, diversion and delivery short of destination can be permitted on account of Force Majeure conditions viz., (a) Act of God, (b) Act of War and, (c) Act of public enemies. Each such case of diversion and delivery short of destination shall be with the approval of the concerned COM and CCM of the Zonal Railway who shall record their reasons in writing. .

In case such traffic is required to be rebooked or diverted or delivered short of destination, then, the normal freight will be charged for the entire distance at the applicable class of the commodity.

CRIS will develop a program for managing diversion and short of destination delivery in the FOIS for proper accountal.

- (vi) Since the present scheme is being introduced as a pilot project, freight incentive scheme for all other Notified Traditional Empty flows for Inter Zonal traffic will continue to remain in operation on the existing terms and conditions.
- (vii) COM, CCM and FA&CAO of the concerned Zonal railway will conduct a quarterly review and audit of the scheme to assess the efficacy of the scheme. The results of the review should be submitted to Railway Board for information.

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