

फा. सं. ऐरा/20010/एमवाईटीपी/केएसआईई/सी/टीवीएम/सीपी-III/2021-26

File No. AERA/20010/MYTP/ KSIE/C/TVM/CP-III/2021-26

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

दिनांक 23.03.2023 के आदेश संख्या 42/2022-23 का परिशिष्ट
Addendum to Order No. 42/2022-23 dated 23.03.2023.

ऐरा भवन/AERA Building
प्रशासनिक कॉम्प्लेक्स/Administrative Complex
सफदरजंग हवाईअड्डा/Safdarjung Airport
नई दिल्ली/New Delhi – 110003

जारी करने की तारीख/Date of Issue: 28.06.2023

सेवा/Service	:	कार्गो हैंडलिंग सेवाएं/ Cargo Handling Services.
सेवा प्रदाता/ Service provider	:	केरल स्टेट इंडस्ट्रियल इंटरप्राइजेज़ लिमिटेड (केएसआईईएल) / Kerala State Industrial Enterprises Limited (KSIEL).
हवाईअड्डा/Airport	:	तिरुवनंतपुरम अंतरराष्ट्रीय हवाईअड्डा (टीआरवी)/ Thiruvananthapuram International Airport (TRV).
हवाईअड्डा प्रचालक/ Airport Operator	:	टीआरवी (केरल) इंटरनेशनल एयरपोर्ट लिमिटेड/ TRV (Kerala) International Airport Limited.

दिनांक 23.03.2023 के आदेश संख्या 42/2022-23 का परिशिष्ट – मैसर्स केरल स्टेट इंडस्ट्रियल इंटरप्राइजेज़ लिमिटेड (केएसआईईएल) द्वारा तिरुवनंतपुरम अंतरराष्ट्रीय हवाई अड्डा, तिरुवनंतपुरम में प्रदान की जाने वाली विनियमित एजेंट (आरए) संबंधी सेवाओं के लिए 01.07.2023 से 30.09.2023 तक की अवधि के लिए तदर्थ टैरिफ/

Addendum to Order No. 42/2022-23 dated 23.03.2023 - Ad-hoc Tariff for Regulated Agent (RA) related Services to be provided by M/s Kerala State Industrial Enterprises Limited (KSIEL) at Thiruvananthapuram International Airport, Thiruvananthapuram, from 01.07.2023 to 30.09.2023.

ISP's submission:

1. Kerala State Industrial Enterprises Limited (KSIEL), a state PSU fully owned by the Kerala Government, is operating the Air Cargo Complex (ACC) at Thiruvananthapuram International Airport (TRV), Thiruvananthapuram. KSIEL has been appointed as the Custodian of Thiruvananthapuram Air Cargo Terminal for both Imports and Exports Cargo by the Commissioner of Customs.
2. M/s KSIEL has signed MoU with TRV (Kerala) International Airport Limited (TIAL) for providing Export Cargo Handling Services at Thiruvananthapuram Airport, which is valid up to 31.03.2025.
3. M/s KSIEL, vide its letter dated 20.03.2023, submitted Multi-Year Tariff Proposal (MYTP) to the Authority for the period from FY 2021-22 to FY 2025-26 along with the following documents:
 - a) Annual Tariff Proposal (ATP) Forms as per AERA guidelines.

- b) Memorandum of Understanding (MoU) between Kerala State Industrial Enterprises Limited (KSIEL) & TRV (Kerala) International Airport Limited (TIAL).
- c) Minutes of the Stakeholders' Consultation Meeting.

4. Subsequently, M/s KSIEL vide letter dated 08.06.2023 informed the Authority that they have been given extension of time up to 30.06.2023 by Bureau of Civil Aviation (BCAS) for converting the existing cargo terminal into a Regulated Agent facility.
5. Therefore, KSIEL requested the Authority to approve the Ad-hoc Tariff rates in respect of additional services to be provided by the ISP as a Regulated Agent, at Thiruvananthapuram Airport. The ISP has proposed the Tariff for RA related Services as under:

Sl. No.	Name of new Service	Particulars of proposed services	Tariff Rates Proposed
1.	Screening and Certification Charges.	To be levied to all types of Cargo	Rs. 2.25 per Kg subject to a minimum of Rs. 200/- per Consignment.
2.	Export Documentation charges.	To be paid by Airlines in respect of Exports for providing Export Manifest and Envelope services.	Rs. 500/- per Flight
3.	Handling Charges.	Acceptance of Cargo, Stacking, Feeding into X-ray Machine and to Pallets/ULDs. To be paid by airlines.	Rs. 2.50 per Kg subject to the minimum of Rs. 650/- per Consignment.

6. Further, KSIEL vide email dated 16.06.2023 submitted the justifications/reasons in respect of the proposed tariff for additional services (*refer para 5*) as under:

Sno.	Name of new Service(s)	Applicability of proposed service(s)	Reasons/Justifications
1.	Screening and Certification Charge.	For all types of Cargo	<p>Presently, Airlines are doing the Screening of Export Cargo engaging their own Screeners or in association with other Airlines. On awarding of the RA status, KSIEL would be screening the cargo, engaging their own X-ray Screeners. As per BCAS norms, the custodian should engage three Screeners per shift. Since, KSIEL have two x-ray machines and to run three shifts with three Screeners per shift, the total number of Screeners required is 18.</p> <p>Since this payment (screening charges) is being paid by the Exporters to Airlines, as such, it can be treated as shifting of payments by Exporters from Airlines to KSIEL, therefore no extra charges are to be paid by the Exporters on this account. As part of Security clearance of cargo, KSIEL is also required to affix Security Stickers on each packaging/ carton/ palette/Container. Since the cost of Security Sticker is 0.52 paise per Sticker, this is also cause for a regular and considerable expenditure.</p> <p>Additionally, as part of Security Screening of Cargo, KSIEL also make use of the Explosive Trace Detector (ETD) Machine. For the same, KSIEL has to provide for consumables like Swab on regular basis. The cost of swab is also taken into account and the rate per swab is around Rs 75-90 per swap. However, KSIEL is not charging for the same separately, but a fraction amount is included in the Screening/Certification Charges.</p>
2.	Export Documentation charges.	To be paid by Airlines in respect of Exports for providing Manifest and Envelope services	Export Documentation charges are also applicable at other Airports.

3	Handling Charges.	Acceptance of Cargo, Stacking, Feeding into X-ray Machine and to Pallets/ULDs. To be paid by airlines.	<p>ISP submitted that presently on arrival of cargo at Export Terminal, the Unloading and Stacking of the same in the Export Terminal and then the loading into X-ray machines is done by the Loading staff of Exporters. Later, after screening is completed, the cargo come to the Sterile Hold Area from where it is either palletized or containerized. The same is done by the staff of Ground Handling Agency for and on behalf of Airlines.</p> <p>On implementing RA status, activities like acceptance of cargo, stacking, feeding into x-ray machine and then to pallets /ULDs after Screening are to be done by the Regulated Agent (KSIEL). Taking into account the volume of cargo KSIEL handle per day (45-50 MT), around 45 to 50 Warehouse Helpers are required for this job. Considering the Wages per day and other allied statutory payments, a substantial amount is to be paid towards the wages etc.</p>
			<p>ISP further submitted that the amount proposed towards handling of all the activities mentioned above, is reasonable and in case of some ACCs, the stuffing and destuffing charges proposed is Rs. 2.50 per Kg. considering the cost involved in the same and more induction is needed for a smoother operation, ISP requested to considering their proposal favourably.</p>

Authority's examination on the request of M/s KSIEL:

7. The Authority notes that KSIEL signed a Memorandum of Understating (MoU) with TIAL, valid up to 31.03.2025, for providing export cargo services at Thiruvananthapuram Airport. As per the MoU (para no. 8 & 9), TIAL to provide separate plot of land to KSIEL to construct its cargo terminal for the ISP's import and export cargo handling operations.
8. The Authority also notes that TRV (Kerala) International Airport Limited (TIAL) is also providing Domestic and International Cargo Handling Services at Thiruvananthapuram International Airport.
9. The Authority observes that on the request of the KSIEL, Bureau of Civil Aviation (BCAS) vide its letter dated 31st May, 2023 has extended the time for deployment of screeners by KSIEL at Thiruvananthapuram International Airport up to 30.06.2023. In the same letter BCAS also directed that in case, deployment of screeners is not done within the stipulated time, all such CUDCT facilities/Service shall be treated as discontinued.
10. The Authority notes that AERA, vide Interim Tariff Order no. 42/2022-23 dated 23rd March, 2023, had approved the Ad-hoc Tariff valid up to 30.09.2023 for the various Cargo Handling Services being provided by the KSIEL at Thiruvananthapuram Airport.
11. As regard to the proposed tariff rates for RA relating to additional services sought by the ISP (as indicated at para 05 above), the Authority will examine the MYTP submitted by the ISP in detail and consider other relevant factors, such as, CAPEX, OPEX, Cargo Volumes etc., while finalizing consultation paper pertaining to the ISP's cargo handling services at Thiruvananthapuram airport.
12. Meanwhile, for deciding ad-hoc tariff for RA related additional services for KSIEL at Thiruvananthapuram Airport, the Authority has compared the ad-hoc tariff rates proposed by the ISP with the approved ad-hoc tariff for similar services pertaining to other service providers namely, TIAL at Thiruvananthapuram Airport & KSIEL at Calicut International Airport. Based on the comparative analysis and taking note of the justifications submitted by the ISP (refer para 6) towards their proposed additional services as a RA facility at Thiruvananthapuram airport, the Authority decides to consider the lowest tariff rates for RA related additional services for the ISP, from amongst the tariff rates as

proposed by the ISP and the approved tariffs of the other cargo service providers (mentioned above), on ad-hoc basis, as addendum to Interim Tariff Order No. 42/2022-23 dated 23.03.2023.

13. The Authority notes that completion of regulatory process for determination of regular Tariff for Cargo Handling Services in respect of KSIEL, including issuance of Consultation Paper & Tariff Order, will take some time.

Further, the Authority notes that as per BCAS directions, ISP is required to deploy its own screeners at the terminal and convert the existing Cargo facility into RA facility w.e.f. 01.07.2023. Accordingly, the Authority, decides to allow KSIEL to levy ad-hoc Tariff for the proposed additional RA related Services at Thiruvananthapuram Airport, as per **Annexures-I w.e.f. 01.07.2023 up to 30.09.2023**, or, till the determination of regular Tariff for the ISP, whichever is earlier.

ORDER

Upon careful consideration of the material available on records, the Authority, in exercise of powers conferred by Section 13(1) (a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) M/s Kerala State Industrial Enterprises Limited (KSIEL) is allowed to levy and collect Tariff for Regulated Agent related Additional Services at Thiruvananthapuram International Airport, Thiruvananthapuram, on ad-hoc basis, as an addendum to the Order no. 42/2022-23 dated 23.03.2023, as per **Annexures-I w.e.f. 01.07.2023 to 30.09.2023**, or, till the determination of regular Tariff for the ISP for the Third Control Period, whichever is earlier.
- (ii) Tariff determined, hereinunder, shall be maximum Tariff to be charged. No other charge(s) is to be levied over and above the approved Tariff.
- (iii) The Tariff rates approved hereinunder are excluding of applicable taxes, if any.
- (iv) The Airport Operator shall ensure compliance of this Order.

By the Order of and in the Name of the Authority

भा.वि.आ.वि.प्रा.

(Col Manu Sooden)
Secretary

To,

Mr. Jayaraj P.V,
Head of Department (ACC)
M/s Kerala State Industrial Enterprises Limited (KSIEL),
(A Government of Kerala Undertaking),
St. Joseph's Press Buildings, Cotton Hill,
Thiruvananthapuram-695014, Kerala, India.

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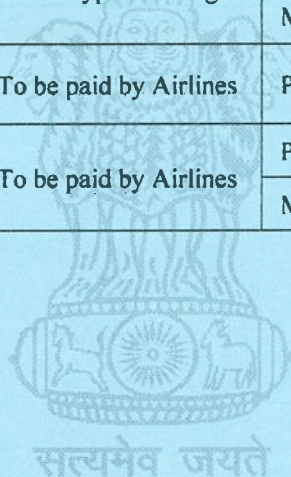
- 1) Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003.
- 2) Chief Airport Officer, (TIAL), Thiruvananthapuram International Airport, Airport Road, Chacka, Thiruvananthapuram, Kerala 695008.

Annexure-I

Approved Ad-hoc Tariff Rate Card (addendum to Order no. 42/2022-23 dated 23.03.2023) in respect of M/s Kerala State Industrial Enterprises Limited (KSIEL) for Regulated Agent (RA) related Services to be provided at Thiruvananthapuram International Airport, Thiruvananthapuram w.e.f. 01.07.2023 till 30.09.2023.

EXPORT CARGO

Sl. No.	Particular of Service	Applicability of proposed services	Unit	Rate (in INR)
1.	Screening and Certification Charge.	For all types of Cargo	Per Kg.	1.50
			Minimum/Consignment	105
2.	Export Documentation charges.	To be paid by Airlines	Per Flight	500
3.	Handling Charges.	To be paid by Airlines	Per Kg.	1.71
			Minimum/Consignment	404



भा.वि.आ.वि.प्रा.

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