

Airports Economic Regulatory Authority of India

Order No. 34/2011-12

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi - 110 003

Date of Order : 13th January, 2012
Date of Issue : 25th January, 2012

In the matter of Multi Year Tariff Proposal for 1st Control Period submitted by Indo Thai Airport Management Services Pvt. Ltd., for providing Ground Handling Services at Ch. Charan Singh Airport, Amausi, Lucknow.

Indo Thai Airport Management Services Pvt. Ltd. (ITAMS), have vide their proposal dated 25.08.2011 and subsequent submission dated 08.11.2011 submitted their Multi Year Tariff Proposal (MYTP), for the first control period of 5 years, in respect of the services provided for Ground Handling at Ch. Charan Singh Airport Amausi, Lucknow. ITAMS have also submitted the Annual Tariff Proposal (ATP) for the first tariff year requesting for approval of the tariff rates.

2.1 As stipulated in the Guidelines, the Authority shall follow a three stage process for determining its approach to the regulation of a regulated service:-

- a) Materiality Assessment;
- b) Competition Assessment;
- c) Assessment of reasonableness of the User Agreements between the service providers and the users of the regulated services.

The ground handling service being provided at Ch. Charan Singh Airport Amausi, Lucknow has a materiality index of 0.8%, which is less than 5% materiality Index fixed for the subject service, hence the service is deemed as "not material", in terms of Clause 4.3 of the Guidelines.

2.2 Hence the ground handling services at Ch. Charan Singh Airport Amausi, Lucknow being provided by Indo Thai is "not material" and may be regulated under light touch approach for tariff determination.

2.3 The Authority, vide its Order No.17/2010-11 dated 31.03.2011, while extending the timeline for submission of MYTP by the independent service providers (ISP(s)) upto 30.04.2011 had also decided that, in the interim, all ISP(s) may continue to charge the tariffs as prevalent on 01.09.2009 or as may have been approved/determined by the Authority thereafter with effect from 01.4.2011 and upto the date when the new tariffs as may be approved by the Authority became applicable and that this interim arrangement would be subject to the condition that the concerned independent service providers submit the MYTP latest by 30.04.2011. In case any service provider(s) fails to submit



MYTP on or before 30.4.2011, the interim arrangement in respect of such service provider (s) would cease to be effective.

3.1 The Authority, vide Consultation Paper No. 31/2011-12, dated 30.11.2011, proposed for stakeholder Consultation that the ground handling services provided by ITAMS at Ch. Charan Singh Airport Amausi, Lucknow is "not material" and hence the Authority may adopt a, "Light Touch Approach" for determination of tariff in the first control period w.e.f. 01.04.2011. Since, the tariff is to be determined under light touch approach and keeping in view the precedents in other cases, the Authority decided to propose for stakeholder consultation that the Annual Tariff Proposal (ATP), as submitted by ITAMS may be considered at this stage itself and that the ATP may be made effective from 1.04.2011 or such other prospective date as the Authority may finally decide.

3.2 In response to the Consultation Paper, no comments have been received from any stakeholders.

ORDER:

4. Upon careful consideration of material available on record, the Authority in exercise of powers conferred by Section 13(1)(a) of the Act, hereby orders that:

- (i) The services provided for ground handling at Ch. Charan Singh Airport Amausi, Lucknow by Indo Thai Airport Management Services Pvt. Ltd., are "not material". Hence the Authority shall adopt light touch approach for determination of tariff during the first control period of 5 years commencing w.e.f. 01.04.2011.
- (ii) The tariff for the ground handling services provided by ITAMS at Ch. Charan Singh Airport Amausi, Lucknow, is determined, as at **Annexure-I**, w.e.f. 1.04.2011.

**By the Order of and in the
Name of the Authority**


**(Capt. Kapil Chaudhary)
Secretary**

To

**IndoThai Airport Management Services Pvt.Ltd.,
904-907, Time Tower,
M.G.Road, Sector 28,
Gurgaon – 122 002
(Through: Shri P.C.Sinha, Chief Operating, Officer)**



Annexure - I

Indo Thai Airport Management Services Pvt. Ltd.

Station Name: Ch. Charan Singh Airport, Lucknow

Sl. No.	Tariff heading	Maximum Tariff per flight (in INR)
1.	Comprehensive Handling of Scheduled B-737	112,066
2.	Comprehensive Handling of Non Scheduled Aircrafts MTOW upto and including 10,000 kgs	22,255
3.	Comprehensive Handling of Non Scheduled Aircrafts MTOW above 10,000 below 20,000 kgs	30,465
4.	Comprehensive Handling of Non Scheduled Aircrafts MTOW above 20,000 below 50,000 kgs	40,625

