

[F.No. AERA/20010/MYTP/EICI/C/Chennai/2014-15]

Airports Economic Regulatory Authority of India

Order No. 20/2015-16

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi -110003

Date of Order: 24th June, 2015

Date of Issue: 30th June, 2015

Service: Unified Common User Facility (Express Courier Service)
Service provider: M/s Express Industry Council of India (EICI)
Airport: Chennai International Airport, Chennai (CIA),
Chennai

Determination of tariff for the fourth (2014-15) and fifth (2015-16) tariff year of the first control period.

This Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued the Guidelines [The Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft), Guidelines, 2011] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period. In case a new Service Provider is granted permission for providing regulated service(s) at a major airport, the service provider shall, within two months of the date of grant of such permission, submit to the Authority for its consideration, a Multi Year Tariff Proposal (MYTP) in accordance with these Guidelines.

2. Accordingly EICI vide its letters dated 18.11.2014, 09.02.2015 and 30.03.2015, submitted their MYTP and ATP for the fourth tariff year (2014-15) and fifth tariff year (2015-16) of the first control period for rendering Unified Common User Express Courier (Express Cargo) Services at Chennai International Airport, Chennai. In their submission, EICI has mentioned that the Airports Authority of India had tendered space (measuring 3560 sq. mtrs) by granting licence to Express Industry Council of India (EICI) for operation and management of unified common User Express Courier Terminal (Express Cargo) at Old Airport Area of Chennai Airport, pursuant to which EICI took over the operation of Express Terminal w.e.f. 23.03.2014.

3. On examination of the proposal, a letter was issued to EICI on 09.04.2015 seeking clarifications on the proposal. EICI, vide letter dated 27.04.2015 has responded to the various queries.

4. The Authority, vide mail dated 03.06.2015 requested EICI to make a presentation before the Authority on 05.06.2015 in respect of ATP submitted for the fourth and fifth tariff years for Delhi, Mumbai and Bangalore Airport and MYTP/ ATP for Chennai Airport. During the meeting on 05.06.2015, the Authority discussed revenue, profit, reserves and return on RAB as per Financial Account submitted by EICI. During discussion, EICI was not able to justify increase



in tariff over earlier approved tariff for these airports. However, they have submitted that they have incurred expenditure towards new investment in Chennai airport for Express Cargo service.

5. During the discussions, it emerged that less than one year is left for completion of the 1st Control Period, which is set to expire on 31.03.2016. Considering the time period involved for stakeholder consultation and issue of order the effective period for implementation of approved revised tariffs would be 6-8 months only.

ORDER

6. Upon careful consideration of material available on record, 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) Express Industry Council of India (EICI) to continue the tariffs in respect of courier operation at Chennai International Airport on ad-hoc basis for the remaining period of the current control period at the same level as was approved vide Authority's Order 37/2012-13 dated 29.01.2013 in respect of the previous concessionaire, M/s Esquire Express (India) Pvt. Ltd. **(Annexure-I)**.
- (ii) EICI may submit the MYTP and ATP for the 2nd Control Period well in time as per the Guidelines by incorporating the actual financials of 2014-2015 along with the aggregate revenue requirements for the 1st control period.
- (iii) Express Industry Council of India shall maintain a separate account for the recovery of Customs cost/ arrears of customs cost on account of the salary revision and also submit the details of customs cost recovery charges duly certified by Chartered Accountant and reconciled with Audited financial account, along with their MYTP/ ATP.
- (iv) Express Industry Council of India (EICI) shall indicate the custom cost recovery as separate line item in its tariff card while submitting its proposal for the second Control Period.

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

Alok Shekhar
(Alok Shekhar)
Secretary

To,

**Express Industry Council of India,
501, Crystal Centre, Raheja Vihar,
Off. Chandivali Farm Road, Powai,
Mumbai – 400 072
(Through Shri Vijay Kumar, Chief Operating Officer)**



Annexure - I

Maximum Tariffs for Tariff Year - 2013-14 (w.e.f. 01.04.2013 to 31.03.2014)

A	Tariff Heading	Conditions of Tariff
	Imports:	
	Terminal charges:	
a)	If the total weight is below 250 tonnes per month	Rs 22.50 per kg, minimum of Rs 225 per flight
b)	If the total weight is above 250 tonnes per month	
	<i>Tonnage less than 45 tonnes per user</i>	Rs. 18.00 per kg subject to a minimum of Rs 225 per flight
	<i>45 tonnes to <90 tonnes per user</i>	Rs. 15.00 per kg subject to a minimum of Rs 225 per flight
	<i>90 tonnes to <120 tonnes per user</i>	Rs. 12.00 per kg subject to a minimum of Rs 225 per flight
	<i>> 120 tonnes per user</i>	Rs. 8.50 per kg subject to a minimum of Rs 225 per flight

	Exports:	
	Facilitation	
a)	If the total weight is below 24 kgs	Rs 240 per bag for a maximum weight of 24 kgs
b)	If the total weight is more than 24 kgs	Rs 10.00 per kg
	<i>X ray</i>	Rs 8 per kg min Rs 135 per Flight
	
	Detention Charges:	
	1-3 days	FREE
	4-15 days	Rs 60 per consignment/day
	16-30 days	Rs 75 per consignment/day
	31st day onwards	Rs 90 per consignment/day
	Amendment Charges *	Rs. 100 per Amendment

Note:

The above per unit tariffs are excluding Service tax, which will be levied at applicable rates

*Amendment Charge would be applicable, if only there are any changes that are required to be carried out on the Airway Bill Way bill and /or markings of the package at the request of the user or Customs, at any stage of handling of consignment, whether for export or import or Transshipment.

