

[F. No. AERA/20010/MYTP-BWFS/GH/Del/2011-12/Vol - I]

Airports Economic Regulatory Authority of India

Order No. 33/2015-16

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

Date of Order: 11th September, 2015

Date of Issue: 21st September, 2015

Service: Ground Handling Services
Service provider: M/s Bird Worldwide Flight Services India Pvt. Ltd.
Airport: IGI Airport, New Delhi.

Determination of tariff for the 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.

2. Accordingly, the Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by Bird Worldwide Flight Services India Pvt. Ltd. (BWFS) for the first control period commencing 01.04.2011 in respect of Ground Handling Services at IGI Airport, New Delhi. After due stakeholder consultation, the Authority issued Multi Year Tariff Order (MYTO) No. 25/2011-12 dated 28.10.2011 wherein, inter-alia, it was decided that the ground handling service provided by BWFS is "material but competitive", hence "light touch approach" be adopted for determination of tariff for the 1st Control period. Pursuant to issue of above, the Authority considered the Annual Tariff Proposal (ATP) for the first, second, third and fourth tariff year and after due stakeholder consultation, determined the tariffs vide ATO no. Order No.47/2012-13 dated 12.03.2013.

3.1 BWFS, vide letter dated 14.07.2015 and 03.09.2015 submitted ATP for fifth tariff year to seventh tariff years and Annual Compliance Statements (ACS) for tariff year 2011-12, 2012-13 and 2013-14 respectively.

3.2 BWFS has proposed increase of approx 12.3% in International Passenger and International Cargo Ground Handling Services. Documents in support of hike in domestic passenger & freighter aircraft tariff are not available as BWFS has informed that DIAL has not yet published ceiling rates for domestic flights. However, BWFS has enhanced the domestic passengers GH rates after considering inflation @12% whereas there is a



significant reduction in domestic cargo handling rates for which no justification has been provided by BWFS. Further, as per the Comparative statements of ACS, the return on average RAB for the first three tariff years is in the range of 47% to 52%.

4. The Authority noted the following:


- (i) BWFS has not submitted the proof of stakeholder consultation and copies of user agreements supporting the increase sought.
- (ii) Less than one year is left for completion of the 1st Control Period, which is set to expire on 31.03.2016 and process for determination of tariff involving stakeholder consultation will take approx. 2-3 months and thus, benefit of revised tariff may be available for less than 6 months from the date of order.

ORDER

5. 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) Bird Worldwide Flight Services India Pvt. Ltd. (BWFS) would continue to levy tariffs in respect of Ground Handling Services at IGI Airport, New Delhi for the remaining period of the current control period at the same level as was approved vide Order No. 47/2012-13 dated 12.03.2013 for the fourth tariff year (**Annexure – I**).
- (ii) Bird Worldwide Flight Services India Pvt. Ltd. should 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.

By the Order of and in the
Name of the Authority


(Satish Sachdeva)
US (F&A)

To,

M/s Bird - Worldwide Flight Services India Pvt. Ltd.,
Bird Consultancy Services Pvt. Ltd.,
E-Block, Connaught House,
Connaught Place,
New Delhi – 110001.
(Through: Shri Gaurav Bhatia, Director)



Bird Worldwide Flight Services (India) Private Limited

Maximum Rate to be paid by Scheduled Airlines for ground handling services in Tariff Years 2, 3 and 4 (2012-13, 2013-14 and 2014-15)

Indira Gandhi International Airport, New Delhi

Amount in INR

S. No.	ICAO Code	Aircraft Type	Domestic Passenger Flights			International Passengers Flights		
			Terminal handling	Ramp handling	Full handling	Terminal handling	Ramp handling	Full handling
1	Code B	Single Engine Aircraft	3,800	8,900	12,700	13,900	41,800	55,800
2	Code C	A318, A319, A320, A321, B717, B727, B 737, BBJ, MD81 to MD90, DC9, TU134, TU134A, AN24, AN26, ATR42, ATR72, F27, F28, F50, F70, F100, YAK40, YAK42	3,200	7,600	10,800	23,500	69,700	93,200
3	Code D	A300-600, A310, B707, B727-100, B757, B767, B787-300, DC8, DC10, MD11	4,400	12,700	17,100	30,400	122,700	153,100
4	Code E	A330-200, A330-300, A340, B747SP, B747, B777, B787-800, B787-900, IL96	19,000	38,000	57,000	35,500	144,500	1,79,900
5	Code F	A380	38,000	63,300	101,400	54,500	196,500	251,000

S. No.	ICAO Code	Domestic Cargo	International
		Freighter	Freighter
		Ramp handling	Ramp handling
1	Code B	N/A	N/A
2	Code C	57,400	76,700
3	Code D	101,200	135,000
4	Code E	119,200	158,900
5	Code F	162,100	216,100

Note: (1) applicable taxes/levies are extra.

*For full handling of cargo freighter aircrafts, the maximum rates will be higher by maximum of 25% of the corresponding commercial passenger aircraft as stated in format above.



Annexure-I