

[F. No. AERA/20010/MYTP/AI/C/Mum/2011-12]
Airports Economic Regulatory Authority of India
Order No. 08/2016-17

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

**Date of Order: 15th June, 2016
Date of Issue: 22nd June, 2016**

Service: Cargo and Ground Handling Services
Service provider: Air India.
**Airport: Chennai and Mumbai Airports – Cargo
Ahmedabad, Calicut, Chennai, Cochin, Kolkata,
Mumbai, and Guwahati – Ground Handling.**

In the matter of delay in submission of Multi Year Tariff Proposal (MYTP) for the 2nd control period (w.e.f 01.04.2016) by Air India for Cargo and Ground Handling Services at Major airports.

In accordance with Direction No.04/2010-11 dated 10.01.2011 (in respect of "The Airports Economic Regulatory Authority Of India (Terms and conditions for determination of tariffs for services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011"), issued under Section 15 of the Act all Independent Service Provider(s) [ISP(s)] are required to submit to this Authority for its consideration, a Multi Year Tariff Proposal (MYTP) in the form and manner specified in the Guidelines.

2. The Authority vide letter dated 28.01.2016, informed the concerned ISPs that the 2nd Control Period shall commence from 1st April 2016 and the cut-off date for submission of the MYTP was stipulated as 01.03.2016 which was subsequently extended upto 10.03.2016 (except for DIAL & MIAL). The Independent Service Providers/Airport Operators were required to submit to the Authority for its consideration a Multi Year Tariff Proposal in the form and manner as specified in the Guidelines. It was further indicated that the Annual Tariff Proposal for 2016-17 would also require to be submitted along with the MYTP for the Authority's consideration.

3. Air India which provides ground handling services at the airports of Ahmedabad, Calicut, Chennai, Cochin, Kolkata, Mumbai and Guwahati airports did not submit the MYTP for the first control period though it had sought extension of time for submitting the same time and again. In view of the above facts the Authority had approved/determined tariff w.e.f 01.04.2011 in respect of ground handling services being rendered by Air India at above mentioned airports and in respect of cargo services at Chennai and Mumbai Airports, and ordered as following vide Order No.04/2015-16 and Order No. 05/2015-16 dated 12.05.2015 respectively :



- (i) *Air India would be allowed to continue to charge tariff as prevalent on 01.09.2009 in respect of ground handling services at the airports of Ahmedabad, Calicut, Chennai, Cochin, Kolkata, Mumbai, Guwahati and cargo services at Chennai and Mumbai airports for the remaining part of the current control period viz. upto 31.03.2016.*
- (ii) *The levy of this tariff in respect of such aeronautical services would cease to be effective beyond 31.03.2016 i.e. the end of the 1st Control Period.*
- (iii) *Any further levy of fee beyond 31.03.2016 without prior approval of Authority would be a contravention of the provisions of the Act, which is punishable under Section 38 of AERA Act.*
- (iv) *Air India may submit their tariff proposal for the 2nd Control Period starting 01.04.2016, well in time, as per the Guidelines of the Authority.*

4. Subsequently Air India, vide letter dated 01.04.2016 indicated that their subsidiary company Air India Air Transport Services Ltd. (AIATSL) who is providing cargo and ground handling services is in the process of compiling various statements and thus, requested AERA to grant time upto 30.09.2016 to submit the data both for ground handling and cargo handling.

5. The Authority considered the request of Air India and vide Order No. 02/2016-17 dated 08.04.2016 ordered that the time line for submitting the tariff proposals by Air India to the Authority for 2nd Control Period be extended upto 31.05.2016 and in the mean while Air India may continue to levy earlier approved tariff for the ground handling and cargo services at the above mentioned airports. It was further decided that in case Air India fails to submit the tariff proposal by the extended time line of 31.05.2016, their tariff will cease to exist at the above mentioned airports w.e.f 01.06.2016.

6. Air India again vide letter dated 31/5/2016 has interalia indicated that AIATSL is a recently hived off company, in a transient phase where complete documentation both in respect of equipment and manpower is under progress and so far only one year of independent operations have been carried out by AIATSL. Air India has therefore requested AERA for a maximum period of extension upto 30th June 2016 for submission of MYTP by AIATSL. They have also requested that AIATSL be permitted to continue to provide services so that there is no disruption in operations at the said airports.

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7. The Authority has carefully considered the request of Air India and upon careful consideration of material available on record, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, the Authority, hereby orders that:

- (i) The time line for submitting the tariff proposals by Air India to the Authority for 2nd Control Period in respect of ground handling services at Ahmedabad, Calicut, Chennai, Cochin, Kolkata, Mumbai, Guwahati and cargo services at Chennai and Mumbai airports be extended upto 30.06.2016;



- (ii) In the mean while Air India may continue to levy earlier approved tariff for the ground handling and cargo services at the above mentioned airports;
- (iii) In case Air India fails to submit the tariff proposal by the extended time line of 30.06.2016, no further extension of time beyond 30.06.2016 would be granted under any circumstances and their tariff will cease to exist at the above mentioned airports w.e.f 01.07.2016.

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


(Puja Jindal)
Secretary

To,

**Air India,
Airline House,
113, Gurudwara Rakabganj Road,
New Delhi – 110001.
(Through: Shri Ashwani Lohani, Chairman & Managing Director)**

