

[F. No. AERA/20010/MYTP/AISATS/GH/Del/2012-13]

Airports Economic Regulatory Authority of India

Order No. 36/2013-14

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

Date of Order: 18th November, 2013

Date of Issue: 12th December, 2013

In the matter of Multi Year Tariff Proposal and Annual Tariff Proposals submitted by M/s Air India SATS Airport Services Private Limited (AISATS) for first, second, third and fourth tariff years of the first control period for providing Ground Handling Services at IGI Airport, New Delhi.

This Authority, vide Direction No. 4/2010-11 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.

2.1 Accordingly, M/s Air India SATS Airport Services Private Limited submitted their MYTP for first control period commencing 01.04.2011 in respect of ground handling services provided at IGI Airport, New Delhi and also Annual Tariff Proposals for first, second, third and fourth tariff years of the first control period.

2.2 As stipulated in the Guidelines, 2011, 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.

2.3 As per clause 4.4 of the Guidelines, in respect of ground handling services, the materiality shall be assessed based on international aircraft movements at the major airport as a percentage of total international aircraft movements at all major airports. The percentage share of international aircraft movements for IGI Airport, New Delhi, as per April-2010 to March'2011, AAI statistics, is 26.3% which is greater than 5% Materiality Index fixed for the subject service. Hence the service is deemed 'material'.



2.4 As per the information furnished by AISATS in Form F1(b) on the Competition Assessment, the following other service providers are rendering similar services at IGI Airport, New Delhi:

- (i) Cambata Aviation Pvt. Ltd.
- (ii) Bird Worldwide Flight Services (India) Pvt. Ltd.
- (iii) Celebi Ground Handling Delhi Pvt. Ltd

2.5 The Guidelines provide that where a regulated service is being provided at a major airport by two or more service provider(s), it shall be deemed 'competitive' at that airport. In the instant case with the total number of players being more than two, the service is deemed 'material but competitive'. Hence the regulated service provided by AISATS at IGI Airport, New Delhi is 'material but competitive' and will come under the light touch approach for tariff determination for the duration of the control period.

3.1 The Authority considered the submissions made by AISATS and issued Consultation Paper No. 19/2013-14 on 16.08.2013, for considering MYTP and ATP for first, second, third and fourth tariff years with 14 days response time

3.2 In response to the said Consultation Paper, comments were received from Delhi International Airport Limited (DIAL) vide letter dated 30.08.2013. In its comments, DIAL stated that the rates proposed by AISATS are higher than the ceiling rates given in the concession agreement executed between DIAL and AISATS and DIAL also enclosed an annexure having ceiling rates along with the letter.

3.3 AISATS vide letter dated 24.09.2013, submitted the clarifications on the DIAL's comments, stating that the rates proposed in ATP for the Authority's approval are including concession fees paid to DIAL, whereas the ceiling rates defined in the concession agreement between DIAL and AISATS do not include the concession fees paid to DIAL. Therefore the rates submitted to the Authority are higher than the ceiling rates defined under Concession Agreement between DIAL and AISATS

3.4 It is observed and noted by the Authority that for the proposed higher rates (more than the ceiling prices fixed by DIAL) in its ATPs for first, second, third and fourth tariff years, AISATS has clarified that the rates proposed in the ATP(s) are including concession fee paid to DIAL whereas the ceiling rates defined in the concession agreement between DIAL and AISATS do not include the concession fees paid to DIAL. The Authority decided to approve ceiling rates as per concession agreement entered between AISATS and DIAL and would be effective from 01.04.2011 as proposed in the consultation paper.

ORDER

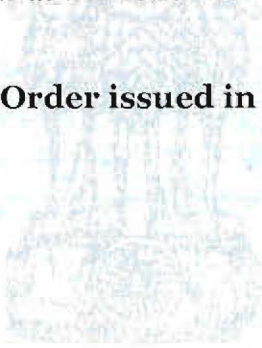
4. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) The service provided for ground handling by M/s Air India SATS Airport Services Private Limited at IGI Airport, New Delhi is "material but competitive". Hence the Authority shall adopt a "light touch

approach" for determination of tariff for the 1st Control Period w.e.f 01.04.2011.

- (ii) The tariff for the first (w.e.f. 01.04.2011 to 31.03.2012), second tariff year (w.e.f. 01.04.2012 to 31.03.2013), third tariff year (w.e.f. 01.04.2013 to 31.03.2014) and fourth tariff year (w.e.f. 01.04.2014 to 31.03.2015) of the first control period would be as per Ceiling rates in the Concession Agreement entered between DIAL and AISATS for ground handling services provided at IGI Airport, New Delhi and the same are determined, as at **Annexure – I**.

Order issued in the Name of the Authority


Alok Shekhar
(Alok Shekhar)
Secretary

To

**M/s Air India SATS Airport Services Pvt. Ltd.,
A-301, Business Square,
Andheri – Kurla Road,
Chakala, Andheri (East),
Mumbai – 400 069
(Through: Shri Sanjay Gupta, Chief Financial Officer)**



AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED**INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI****MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE
GROUND HANDLING FOR TARIFF YEAR – 1 (w.e.f. 01.04.2011 to 31.03.2012)**

Table – 1

SI. No.	Aircraft Types/ Category ICAO Code Types	Domestic Flights			International Flights		
		Pax Terminal Services	Ramp Handling	Full Handling (PAX + Ramp)	Pax Terminal Services	Ramp Handling	Full Handling (Pax + Ramp)
1.	Code B	3,000	7,000	10,000	11,000	33,000	44,000
2.	Code C	2,500	6,000	8,500	18,500	55,000	73,500
3.	Code D	3,500	10,000	13,500	24,000	96,800	120,800
4.	Code E	15,000	30,000	45,000	28,000	113,950	141,950
5.	Code F	30,000	50,000	80,000	43,000	155,000	198,000

Table - 2

SI. No.	Aircraft Types/ Category ICAO Code Types	Domestic Flight	International Flight
		Cargo Ramp Handling	Cargo Ramp Handling
1.	Code B	—	—
2.	Code C	45,300	60,500
3.	Code D	79,800	106,480
4.	Code E	94,000	125,345
5.	Code F	127,900	170,500

Note: The above are ceiling rates as per Schedule F of the concession agreement executed between DIAL and AISATS.



AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI

**MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE
GROUND HANDLING FOR TARIFF YEAR – 2 (w.e.f 01.04.2012 to 31.03.2013)**

Table – 1

Sl. No.	Aircraft Types/ Category	Domestic Flight		
		Pax Terminal Services	Ramp Handling	Full Handling (Pax + Ramp)
1.	Code B	3,800	8,900	12,700
2.	Code C	3,200	7,600	10,800
3.	Code D	4,400	12,700	17,100
4.	Code E	19,000	38,000	57,000
5.	Code F	38,000	63,300	101,400

Table - 2

Sl. No.	Aircraft Types/ Category	International Flight		
		Pax Terminal Services	Ramp Handling	Full Handling (Pax + Ramp)
1.	Code B	13,900	41,800	55,800
2.	Code C	23,500	69,700	93,200
3.	Code D	30,400	122,700	153,100
4.	Code E	35,500	144,500	179,900
5.	Code F	54,500	196,500	251,000

Table – 3

Sl.No.	Aircraft Types/ Category	Domestic Flight	International Flight
		Cargo Ramp Handling	Cargo Ramp Handling
1.	Code B	—	—
2.	Code C	57,400	76,700
3.	Code D	1,01,200	1,35,000
4.	Code E	1,19,200	1,58,900
5.	Code F	1,62,100	2,16,100

Note: The above are ceiling rates as per Schedule F of the concession agreement executed between DIAL and AISATS.



AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI

**MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE
GROUND HANDLING FOR TARIFF YEAR – 3 (w.e.f 01.04.2013 to 31.03.2014)**

Table – 1

Sl.No.	Aircraft Types/ Category	Domestic Flight		
	ICAO Code Types	Pax Terminal Services	Ramp Handling	Full Handling (Pax + Ramp)
1.	Code B	3,800	8,900	12,700
2.	Code C	3,200	7,600	10,800
3.	Code D	4,400	12,700	17,100
4.	Code E	19,000	38,000	57,000
5.	Code F	38,000	63,300	101,400

Table - 2

Sl. No.	Aircraft Types/ Category	International Flight		
	ICAO Code Types	Pax Terminal Services	Ramp Handling	Full Handling (Pax + Ramp)
1.	Code B	13,900	41,800	55,800
2.	Code C	23,500	69,700	93,200
3.	Code D	30,400	122,700	153,100
4.	Code E	35,500	144,500	179,900
5.	Code F	54,500	196,500	251,000

Table – 3

Sl.No.	Aircraft Types/ Category	Domestic Flight	International Flight
	ICAO Code Types	Cargo Ramp Handling	Cargo Ramp Handling
1.	Code B	–	–
2.	Code C	57,400	76,700
3.	Code D	1,01,200	1,35,000
4.	Code E	1,19,200	1,58,900
5.	Code F	1,62,100	2,16,100

Note: The above are ceiling rates as per Schedule F of the concession agreement executed between DIAL and AISATS.



AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI

**MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE
GROUND HANDLING FOR TARIFF YEAR – 4 (w.e.f 01.04.2014 to 31.03.2015)**

Table – 1

Sl. No.	Aircraft Types/ Category	Domestic Flight		
		Pax Terminal Services	Ramp Handling	Full Handling (Pax + Ramp)
1.	Code B	3,800	8,900	12,700
2.	Code C	3,200	7,600	10,800
3.	Code D	4,400	12,700	17,100
4.	Code E	19,000	38,000	57,000
5.	Code F	38,000	63,300	101,400

Table - 2

Sl. No.	Aircraft Types/ Category	International Flight		
		Pax Terminal Services	Ramp Handling	Full Handling (Pax + Ramp)
1.	Code B	13,900	41,800	55,800
2.	Code C	23,500	69,700	93,200
3.	Code D	30,400	122,700	153,100
4.	Code E	35,500	144,500	179,900
5.	Code F	54,500	196,500	251,000

Table – 3

Sl. No.	Aircraft Types/ Category	Domestic Flight	International Flight
		Cargo Ramp Handling	Cargo Ramp Handling
1.	Code B	0	0
2.	Code C	57,400	76,700
3.	Code D	1,01,200	1,35,000
4.	Code E	1,19,200	1,58,900
5.	Code F	1,62,100	2,16,100

Note: The above are ceiling rates as per Schedule F of the concession agreement executed between DIAL and AISATS.

