

[F. No. AERA/20010/MYTP-AIS/GH/BIAL/2011-12]

Airports Economic Regulatory Authority of India

Order No. 28 /2013-14

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

Date of Order: 10th July, 2013

Date of Issue: 24th July, 2013

In the matter of determination of Tariffs for Third, Fourth and Fifth Tariff Year of the First Control Period in respect of Air India SATS Airports Services Private Limited for providing Ground Handling Services at Bengaluru International Airport, Bengaluru.

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 a Multi Year Tariff Proposal (MYTP) for the five-year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period. Accordingly, M/s Air India SATS Airport Services Pvt Ltd (AISATS) submitted their MYTP for first control period commencing 01.04.2011 in respect of ground handling services provided at Bengaluru International Airport, Bengaluru. The Authority had considered the MYTP and ATP submitted by AISATS. After due stakeholder consultation, the Authority issued Multi Year Tariff Order (MYTO) No. 23/2011-12 dated 29.09.2011 wherein it was decided to adopt "light touch approach" for determination of tariff for the first control period. Subsequently, the tariff for the first (FY 2011-12) and second (FY 2012-13) tariff year of the first control period was determined.

2.1 However, the said determination was subject to the order of the Hon'ble AERA Appellate Tribunal in Appeal no. 12/2011 filed by Bangalore International Airport Limited (BIAL), wherein it has ordered that:

"It is made clear that even if any final order is passed by the respondent - Airports Economic Regulatory Authority, the same shall not be given effect to without leave of this Court."

2.2 The appeal filed by BIAL has been disposed of on 03.05.2013, wherein the Hon'ble Tribunal ordered that:

".....We had by our order dated 19th October, 2011, directed that the tariff so decided in case of the three services mentioned in the earlier paragraph would not be implemented unless the leave is obtained from this Tribunal. In view of



the disposal of this appeal, those orders would stand 'withdrawn' and in the result the implementation of tariff may now commence."

2.3 Subsequently, AISATS submitted its ATPs for the third, fourth and fifth tariff year. The Authority considered the submissions made by AISATS and issued Consultation Paper No. 12/2013-14 on 21.06.2013, wherein these ATPs for Third, Fourth and Fifth tariff years, were put up for stakeholder consultations. No comments have been received in response to the said Consultation Paper.

2.4 It was observed that as per Note 2 of the tariff rate card AISATS has stated that "These rates may be revised, where external economic/financial factors warrant a review. However, any change will be in consultation with the stakeholders and final approval of AERA." In this regard, it was noted that in respect of major airports the tariffs for aeronautical services are to be determined by the Authority. Hence, the tariff determined by the Authority cannot be increased by the service provider on its own. For any increase the service provider may seek appropriate determination, if need be.

ORDER:

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

- (i) Tariff for the Ground Handling Services provided by M/s Air India SATS Airport Services Private Limited at Bengaluru International Airport, Bengaluru is determined, for the Third Tariff Year (w.e.f. 01.04.2013 to 31.03.2014), Fourth Tariff Year (w.e.f. 01.04.2014 to 31.03.2015) and for Fifth Tariff Year (01.04.2015 to 31.03.2016), as per **Annexure –I**. In case M/s Air India SATS wishes to revise these tariffs, then it may approach the Authority with a suitable tariff proposal.

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

**[Capt. Kapil Chaudhary (Retd.)]
Secretary**

To

**M/s Air India SATS Airports Services Pvt. Ltd.
A-301, Business Square,
Andheri – Kurla Road,
Chakala, Andheri (East),
Mumbai – 400 069.
(Through: Shri Nilang Shah, Marketing Manager)**



AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE GROUND HANDLING AT BIA, BENGALURU

S.No.	Aircraft Types	2013-14				2014-15				2015-16			
		Scheduled Aircraft				Scheduled Aircraft				Scheduled Aircraft			
		Passenger		Freighter		Passenger		Freighter		Passenger		Freighter	
(ICAO Code)	Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight	Domestic Flight	International Flight	
1	CODE B	11,000	30,800	NA	NA	12,100	33,880	NA	NA	13,310	37,268	NA	NA
2	CODE C	14,740	80,300	49,500	1,20,450	16,214	88,330	54,450	1,32,495	17,835	97,163	59,895	1,45,745
3	CODE D	23,584	1,21,000	85,800	1,33,100	25,942	1,33,100	94,380	1,46,410	28,537	1,46,410	1,03,818	1,61,051
4	CODE E	49,500	1,54,000	1,03,400	1,81,500	54,450	1,69,400	1,13,740	1,99,650	59,895	1,86,340	1,25,114	2,19,615
5	CODE F	88,000	2,17,800	1,40,690	2,61,360	96,800	2,39,580	1,54,759	2,87,496	1,06,480	2,63,538	1,70,235	3,16,246

CODE B : for single engine aircraft

CODE C A318,A319, A320, A321, 8717, 8727, 737,8BJ, MD 81 to MD 90, TU134A, AN24, AN26, ATR42, ATR72, F27, F28, F50, F70, F100, YAK40, YAK42

CODE D A300-600, A310, B707, B727-100 B757, B767, B787-300, DC8, DC10, MD11

CODE E A330-200, A330-309, A340, B747SP, B747, B777, B787-800,B787-900,IL96

CODE F A380

Notes :

- The rates with each Airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- All charges mentioned above include existing concession fee, royalty, airport levy charged by the Airport Authority.
- All charges mentioned above exclude all taxes such as Service Tax, as may be applicable.

