

[F. No. AERA/20010/MYTP/AISATS/C/BIAL/2011-12]

Airports Economic Regulatory Authority of India

Order No. 44 /2012-13

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

Date of Order: 15th February, 2013

Date of Issue: 1st March, 2013

In the matter of Annual Tariff Proposal for the Second Tariff Year of the First Control Period submitted by Air India SATS Airport Service Pvt Ltd. for providing Cargo Services at Bangalore International Airport, Bengaluru.

The Authority had issued a Multi-Year Tariff Order (MYTO) No. 22/2011-12 dated 29.09.2011 in respect of Air India SATS Airport Service Private Limited (AISATS) at Bangalore International Airport, Bengaluru for providing cargo facility wherein the Authority had decided to adopt a "light touch approach" for determination of tariff for the 1st Control period w.e.f. 01.04.2011. The services provided for the cargo facility by AISATS at Bangalore Airport are "material but competitive".

2. Further, with reference to Appeal No. 12/2011 filed by Bangalore International Airport (BIAL) against the Authority's Orders No. 05/2010-11 dated 02.08.2010, 12/2010 -11 dated 10.01.2011 & 17/2010 -11 dated 31.03.2011 and Direction No. 4/2010-11 dated 10.01.2011 the Hon'ble AERA Tribunal (i.e. Appellate Tribunal) vide its order dated 19.10.2011 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 the Appellate Tribunal".

The above order passed by the Appellate Tribunal is still in force.

3. AISATS submitted ATP for the second tariff year (2012-13) of the first Control period on 15.06.2012.

4.1 The ATP submitted by AISATS was considered by the Authority and put up for stakeholder consultation vide, Consultation Paper No. 23/2012-13 dated 12.10.2012. In response to the proposal contained in the Consultation Paper, comments were received from Menzies Aviation Bobba (B'lore) Pvt. Ltd. (Menzies).

4.2. Menzies have stated that the Customs Cost Recovery Charges should be a part of un-regulated tariff and as such be dealt as per the requirements of Customs, which is a sovereign function under the Constitution of India and is not part of regular trade or commerce or aviation business.



5. The Authority considered the comments of Menzies and noted that the Customs Cost Recovery Charges are essentially in the nature of mandated operating costs and AISATS have, in their ATP, reflected the same as a separate line item.

ORDER:

6. 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 Authority of India Act, 2008, hereby orders that:

- (i) Tariff for the Cargo Services provided by Air India SATS Airports Services Private Limited at Bangalore International Airport, Bengaluru is determined for the Second Tariff year (2012-13) of the first control period w.e.f. 01.04.2012 as at **Annexure-I**. Demurrage free period will be as per Govt. of India instructions issued from time to time.
- (ii) Regarding Customs Cost Recovery Charges, which are charges towards provisioning of the aeronautical services being provided by AISATS, it is decided that, further revision in these charges will be permitted to be effected without further consultation, based on auditors certificate certifying that proposed increase is only to recover the increased cost of recovery and would be restricted only to such recovery.

7. The above order is subject to the decision of the Hon'ble AERA Appellate Tribunal, referred to in para 2 above, that this order of the Authority shall not be given effect to without the leave of the Appellate Tribunal.

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



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

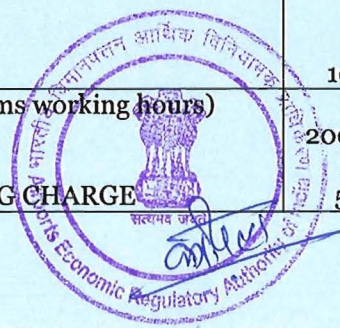
To

**M/s Air India SATS Airport Services Private Limited,
Airlines House,
113, Gurdwara Rakabganj Road,
New Delhi-110 001
(Through: Mr. Kwa Tjun Kyet, Head Marketing)**



AISATS RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO

S.N.	LIST OF CHARGES	FY 2012-13 Tariff Year 2	
		MINIMUM RATE IN INR	RATE PER KG IN INR
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1	TERMINAL, STORAGE and processing charge (TSP) – (per shipping Bill)		
a)	General Cargo	125.00	1.05
b)	Special Cargo (AVI)	250.00	1.60
c)	PER/DGR/VAL cargo	250.00	2.75
2.	CUSTOMS CARGO SERVICE PROVIDER CHARGE (CCSP) – (per Shipping Bill)	25.00	0.25
3.	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)		
a)	General Cargo	136.50	0.85
b)	Special Cargo (AVI)	262.50	1.60
c)	PER/DGR/VAL cargo	262.50	2.75
4.	COURIER HANDLING CHARGE	150.00	1.50
5.	PACKING / REPACKING/STRAPPING CHARGE	5.00 per Carton/Bag	
6.	RETURN CARGO CHARGE	500.00 per AWB	
7.	AIR WAY BILL AMENDMENT CHARGE	100.00 per AWB	
8.	WEIGHT / VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	2 times	
b)	More than 5% variation	5 times	
9.	OVERTIME CHARGE (beyond customs working hours) VAL cargo	50.00 per Shipping bill 1000.00 per AWB	
IMPORT CARGO			
1.	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) – (per shipping Bill)		
a)	General Cargo	125.00	5.15
b)	Special Cargo (AVI)	250.00	10.30
c)	PER/DGR/VAL cargo	250.00	10.30
2.	CUSTOMS CARGO SERVICE PROVIDER CHARGE (per HAWB)	25.00	1.25
3.	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)		
a)	General Cargo		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No charge	No charge
ii)	Cargo cleared between 72 hours and 120 hours	336.00	1.60
iii)	Cargo cleared between 120 hours and 720 hours	336.00	2.95
iv)	Cargo cleared after 720 hours	336.00	4.40
b)	Special cargo (AVI)		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No charge	No charge
ii)	Cargo cleared between 72 hours and 120 hours	656.25	2.95
iii)	Cargo cleared between 120 hours and 720 hours	656.25	5.90
iv)	Cargo cleared after 720 hours	656.25	8.80
c)	PER/DGR/VAL cargo		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No charge	No charge
ii)	Cargo cleared between 72 hours and 120 hours	1338.75	5.90
iii)	Cargo cleared between 120 hours and 720 hours	1338.75	11.80
iv)	Cargo cleared after 720 hours	1338.75	17.70
4.	COURIER HANDLING CHARGE	200.00	5.50
5.	AIRWAYBILL AMENDMENT CHARGE	100 per AWB	
6.	TRANSHIPMENT CHARGE		
a)	General Cargo	125.00	1.80
b)	PER/DGR/VAL/AVI Cargo Documentation charges	235.00 100.00 per AWB	1.80
7.	OVERTIME CHARGE (beyond customs working hours)		
a)	General Cargo	200.00 per bill of entry	
b)	VAL cargo	1000 per AWB	
8	PACKING /REPACKING/STRAPPING CHARGE	5.00 per carton	



Annual Tariff for Tariff Year 2

AISATS RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO

Note:

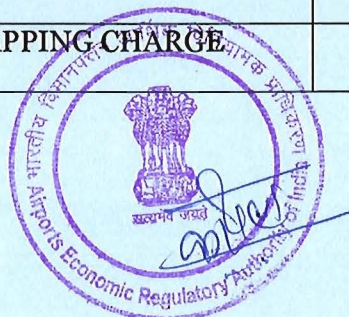
1. Consignments of Human Remains, Coffins, Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of TSP and Demurrage Charges.
2. TSP charge applicable to Newspaper and TV reel consignments shall be at 50% of the applicable charge.
3. TSP charges are inclusive of forklift used for loading/offloading the cargo to / from truck and putting cargo on custom area for examination.
4. Charges will be levied on the Gross Weight or Chargeable Weight whichever is higher. Where there is a mis-declaration of gross weight or chargeable weight, the actual gross weight or the actual chargeable weight will be used for the charges whichever is higher.
5. Demurrage free period will be as per Govt. of India instructions issued from time to time. The free period for export cargo is 24 hours for examination and processing. Free period for import cargo is 72 hours from flight Actual Time of Arrival (ATA). Cargo cleared beyond 72 hours of flight ATA will be charged demurrage on a 24 hour basis for the duration exceeding the free storage period. Cargo cleared beyond 120 hours will be charged on a 24 hour basis from flight ATA including the first 72 hours.
6. All billing will be rounded off to the nearest INR 5/- as per IATA Tact rule.
7. Special cargo (AVI) consists of live animals and day old chicks.
8. VAL Cargo includes gold bullion, currency notes, shares, share coupons, travelers cheques, diamonds (including diamonds for industrial use) diamond jewellery, watches of silver-gold-platinum and items valued at USD 1000/kg and above.
9. For consolidation on transshipment cargo, TSP charges will be levied to all types of cargo, in addition to transshipment charges mentioned above. Demurrage charges will be applicable as per the tariff.
10. All charges mentioned above exclude taxes which will be charged at the prevailing rates.
11. All charges mentioned above include the concession fees charged by the airport operator.
12. No outside labor will be allowed to handle cargo in Air India SATS Airfreight Terminal.



Annual Tariff for Tariff Year 2

AIATS RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO

S.N.	LIST OF CHARGES	FY 2012-13 Tariff Year 2	
		MINIMUM RATE IN INR	RATE PER KG IN INR
A) DOMESTIC CARGO			
OUTBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) – (per shipping Bill)		
a)	General Cargo	100.00	0.65
b)	Special Cargo (AVI)	200.00	2.05
c)	PER/DGR/VAL cargo	200.00	2.05
2.	DEMURRAGE / STORAGE CHARGE (rate per Kg per day)		
a)	General Cargo	125.00	0.65
b)	Special Cargo (AVI)	200.00	2.05
c)	PER/DGR/VAL cargo	200.00	2.05
3.	COURIER HANDLING CHARGE	100.00	0.65
4.	PACKING / REPACKING/STRAPPING CHARGE	5.00 per Carton/Bag	
5.	RETURN CARGO CHARGE	100.00 per AWB	
6.	AIR WAY BILL AMENDMENT CHARGE	100.00 per AWB	
INBOUND CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE (TSP) – (per Bill of Entry)		
a)	General Cargo/Unaccompanied Baggage	125.00	1.10
b)	Special Cargo (AVI)	200.00	2.10
c)	PER/DGR/VAL cargo	200.00	2.10
2.	DEMURRAGE/STORAGE CHARGE (rate per Kg per 24 hours)		
a)	General Cargo	200.00	1.25
b)	Special Cargo (AVI)	250.00	2.20
c)	PER/DGR/VAL cargo	250.00	2.20
3.	COURIER HANDLING CHARGE	100.00	0.65
4.	AIR WAY BILL AMENDMENT CHARGE	100.00 per AWB	
5.	PACKING / REPACKING/STRAPPING CHARGE	5.00 per carton	



Annual Tariff for Tariff Year 2

AISATS RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO

Note:

1. Consignments of Human Remains, Coffins, Unaccompanied Baggage of the deceased and Human Eyes will be exempted from the purview of TSP and Demurrage Charges.
2. TSP charge applicable to Newspaper and TV reel consignments shall be at 50% of the applicable charge.
3. TSP charges are inclusive of forklift used for loading/offloading the cargo to / from truck and putting cargo on custom area for examination.
4. Charges will be levied on the Gross Weight or Chargeable Weight whichever is higher. Where there is a mis-declaration of gross weight or chargeable weight, the actual gross weight or the actual chargeable weight will be used for the charges whichever is higher.
5. Demurrage free period will be as per Govt. of India instructions issued from time to time. The free period for outbound cargo is 24 hours for examination and processing. Free period for inbound cargo is 72 hours from flight Actual Time of Arrival (ATA). Cargo cleared beyond 72 hours of flight ATA will be charged demurrage on a 24 hour basis for the duration exceeding the free storage period. Cargo cleared beyond 120 hours will be charged on a 24 hour basis from flight ATA including the first 72 hours.
6. All billing will be rounded off to the nearest INR 5/- as per IATA Tact rule.
7. Special cargo (AVI) consists of live animals and day old chicks.
8. VAL Cargo includes gold bullion, currency notes, shares, share coupons, travelers cheques, diamonds (including diamonds for industrial use) diamond jewellery, watches of silver-gold-platinum and items valued at USD 1000/kg and above.
9. All charges mentioned above exclude taxes which will be charged at the prevailing rates.
10. All charges mentioned above include the concession fees charged by the airport operator.
11. No outside labor will be allowed to handle cargo in Air India SATS Airfreight Terminal.

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Annual Tariff for Tariff Year 2

AISATS MAXIMUM RATES TO BE PAID BY AIRLINES FOR CARGO HANDLING

S.N.	Description of service	Unit	FY 2012-13 Tariff Year 2
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1.	Handling Charges		
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per Kg.	1.80
1.1.2	Bulk Cargo	Per Kg.	1.10
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per Kg.	3.60
1.2.2	Bulk Cargo	Per Kg.	2.20.
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per Kg.	4.50
1.3.2	Bulk Cargo	Per Kg.	2.75
2.	Storage Charges		
2.1	General Export Cargo	Per Kg.	1.70
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per Kg.	4.10
3	Electronic Data submission for customs	Per flight	125.00
IMPORT CARGO			
1.	Handling Charges	Per Kg.	
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per Kg.	1.80
1.1.2	Bulk Cargo	Per Kg.	1.10
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per Kg.	3.60
1.2.2	Bulk Cargo	Per Kg.	2.20.
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per Kg.	4.50
1.3.2	Bulk Cargo	Per Kg.	2.75
2.	Storage Charges		
2.1	General Cargo	Per Kg.	1.70
2.1.1	Subject to a minimum of	Per IGM.	230.00
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per Kg per day or part thereof	4.10
2.2.1	Subject to a minimum of	Per AWB per day or part thereof	230.00
3	Electronic Data submission for customs	Per flight	125.00
TRANSHIPMENT CARGO			
1.	Carting charges for transshipment of import / export cargo	Per kg per day or part thereof	2.00
1.1	Subject to minimum of	Per AWB per day of part thereof	160.00
X-RAY SCREENING EXPORT CARGO			
1.	X-Ray charges with certification	Per kg	2.10.
1.1	Subject to minimum of	Per consignment	100.00
B) DOMESTIC CARGO			
OUTBOUNDT CARGO			
1.	Handling Charges		
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per Kg.	1.80
1.1.2	Bulk Cargo	Per Kg.	1.10
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per Kg.	3.60
1.2.2	Bulk Cargo	Per Kg.	2.20.
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per Kg.	4.50
1.3.2	Bulk Cargo	Per Kg.	2.75
2.	Storage Charges		
2.1	General Export Cargo	Per Kg.	1.70
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per Kg.	4.10



Annual Tariff for Tariff Year 2**AI SATS MAXIMUM RATES TO BE PAID BY AIRLINES FOR CARGO HANDLING**

S.N.	Description of service	Unit	FY 2012-13 Tariff Year 2
INBOUND CARGO			
1.	Handling Charges		
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per Kg.	1.80
1.1.2	Bulk Cargo	Per Kg.	1.10
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per Kg.	3.60
1.2.2	Bulk Cargo	Per Kg.	2.20
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per Kg.	4.50
1.3.2	Bulk Cargo	Per Kg.	2.75
2.	Storage Charges		
2.1	General Cargo	Per Kg.	1.70
2.1.1	Subject to a minimum of	Per IGM.	230.00
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per Kg per day or part thereof	4.10
2.2.1	Subject to a minimum of	Per AWB per day or part thereof	230.00
X-RAY SCREENING OUTBOUND CARGO			
1.	X-Ray charges with certification	Per kg	2.10.
1.1	Subject to minimum of	Per consignment	100.00

Note:

1. The rates with each Airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), throughput, service level agreement, credit period and liability and indemnity requirement.
2. All charges mentioned above exclude taxes which will be charged at the prevailing rates.
3. No outside labor will be allowed to handle cargo in Air India SATS Airfreight Terminal.

