

Addendum to Order No. 44/2020-21 dated 03.09.2020

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

Date of Issue: 21st January, 2021

Sub.: In the matter of Economic Regulation of Cargo Operations provided by Kannur International Airport Limited (KIAL) - Request of KIAL for additional X-ray charges for International Export Cargo at Kannur International Airport on ad hoc basis.

BACKGROUND

- 1.1. Airports Economic Regulatory Authority of India (“AERA” or “Authority”) issued Interim Order No.44/2020-21 dated 03rd September 2020 in the matter of ad hoc determination of aeronautical cargo tariffs for Kannur International Airport Ltd. (KIAL), to be effective from the date of Date of Commencement of Cargo Operations at Kannur Airport valid up to 31st March 2021, or, regular determination of cargo tariffs for FY 2021-22 & FY 2022-23, whichever is earlier.
- 1.2. M/s KIAL was advised to file its detailed proposal for regular determination of aeronautical cargo tariffs, once the cargo operations are commenced. Further, in terms of Interim Order, revenues earned from ad hoc cargo tariffs shall be adjusted in the Aggregate Revenue Requirement (ARR) of 1st Control Period (01.04.2018 to 31.03.2023) for KIAL.

2. PROPOSAL FOR ADDITIONAL X-RAY CHARGES FOR INTERNATIONAL EXPORT CARGO

- 2.1. Now, M/s KIAL vide letter no. KIAL/CFO/58/2020-21 dated 19.01.2021 has requested the Authority to allow additional X-Ray charges (chargeable to Airlines) for International Export Cargo stating that the same was inadvertently missed out in their earlier proposal submitted at the time of Interim Order. The proposed rates are shown as per table below:

| | | |
|--------------------------------------------------------------------------------------|-------------------------------------|--------|
| Other Charges (International Export Cargo) X-Ray Charges (chargeable to Airlines) | Minimum Rate INR per Consignment | 150.00 |
| | INR per Kg. | 2.00 |

AUTHORITY’S REVIEW

- 3.1 The Authority examined KIAL’s request for additional X-Ray charges (chargeable to Airlines) for International Export Cargo and the submissions made in this regard as detailed below:

- (i) KIAL has clarified that while X-Ray charges for Domestic Export Cargo was included in their original proposal to AERA, charges for International Export Cargo was inadvertently missed out. The Authority observed that the charges proposed for International Export Cargo are the same as that for Domestic Export Cargo (at par with CIAL Order no.7/2017-18 for 2nd Control Period).
- (ii) KIAL has submitted that it is the Regulated Agent for Cargo Operations at Kannur International Airport, and, will be providing X-Ray services for International Export Cargo similar to Domestic Export Cargo services.

3.2 The Authority, having examined and considered KIAL's request, decides to allow M/s KIAL to levy the proposed X-Ray Charges (chargeable to Airlines) for International Export Cargo on ad hoc basis at Kannur International Airport, from the Date of Commencement of Cargo Operations up to 31st March 2021, or, till regular determination of tariffs for FY 2021-22 and FY 2022-23 of First Control Period, whichever is earlier.

4. ORDER

The Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, and, the facts and clarifications placed on record before the Authority, decides and orders that:


4.1 In addition to the ad hoc cargo tariffs approved vide Interim Order No.44/2020-21 dated 03.09.2020, M/s Kannur International Airport (KIAL) is allowed to levy X-Ray Charges for International Export Cargo (chargeable to Airlines) effective from the Date of Commencement of Cargo Operations up to 31st March 2021, or, till regular determination of tariffs for FY 2021-22 & FY 2022-23 of 1st Control Period, whichever is earlier, as per rates below:

| | | |
|--------------------------------------------------------------------------------------|----------------------------------|--------|
| Other Charges (International Export Cargo) X-Ray Charges (chargeable to Airlines) | Minimum Rate INR per Consignment | 150.00 |
| | INR per Kg. | 2.00 |

4.2 M/s KIAL is once again advised to file its detailed proposal before 31.03.2021, once the cargo operations are commenced, for regular determination of aeronautical cargo tariffs for the 4th & 5th years of the 1st Control Period (01.04.2018 to 31.03.2023).

4.3 The other terms and conditions of the Order No.44/2020-21 shall remain unchanged.

By the order of and in the
Name of the Authority


(Col Manu Sooden)
Secretary

To,
Kannur International Airport Ltd.,
Kara Peravoor P.O, Mattannur, Kannur – 670702.
(Through: Sh. Jayakrishnan S, CFO)

Copy to: Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport New Delhi-110003.

