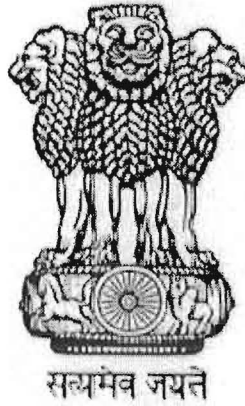


Consultation Paper No.11/2010-11



Airports Economic Regulatory Authority of India

**Proposal of DIAL for levy of X-Ray charges
for Domestic Cargo at IGI Airport, w.e.f.**

01.05.2010

New Delhi: 13th November, 2010

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003**

M/s.Domestic Air Cargo Agents Association of India (DACAAI) had filed an application dated 30.04.2010, under Section 13 of Airports Economic Regulatory Authority of India Act, 2008 (the Act) against the levy of Terminal, Storage and Processing (TSP) charges, X-Ray screening charges, Unitization and De-unitization charges by M/s Delhi Cargo Service Centre Pvt. Ltd (DCSC) at its newly created Common User Domestic Cargo Terminal (CUDCT) at IGI, Airport, New Delhi. DACAAI submitted that presently all domestic airlines provide the warehouse and X-Ray screening facilities and undertake the process of unitization and de-unitization and they never charged separately for these facilities. The freight charges were inclusive of the charges for these facilities. M/s.Delhi International Airport (p) Ltd (DIAL) has commissioned Common Users Terminal for domestic cargo at IGI Airport and had concessioned it to M/s.Delhi Cargo Service Centre (P) Ltd. (DCSC). DACCAI stated that DIAL has proposed to charge, cargo handling charges under the heads of unitization charges, de-unitization charges and X-Ray screening charges and that DCSC were insisting the cargo agents to open pre-deposit account.

2. The Authority vide letter dated 30.04.2010, addressed to M/s DIAL stated that in terms of Section 2 (a) of the Act 2008, any service provided for the cargo facility at an airport is an "aeronautical service", and tariff for such service at the major airports is to be determined by the Authority, in terms of Section 13(1)(a) of the Act. IGI airport, New Delhi is a major airport and, therefore, imposition of any new charges in respect of cargo facility or change in rates of any existing charges would require previous approval of the Authority. DIAL was asked to submit a factual report for further consideration by the Authority by 07.05.2010. A reminder in this regard was also sent to DIAL on 10.05.2010.

3.1 DIAL did not submit any factual report to the Authority by the stipulated time. However, DCSC vide its letter dated 14.05.10, submitted that:

"Domestic Cargo was hitherto being handled by individual carriers on scattered locations around Delhi Airport. With an intention to improve efficiency and increase in safety and security, DIAL has concessioned the development of Common User Domestic Cargo Terminal (CUDCT) at IGI Airport to Cargo Service Centre Pvt. Ltd. The CUDCT was commissioned on 1st May, 2010. This being an extension of Cargo Services being provided at IGIA, the charges for services offered are identical or lower for similar services at the International Cargo Terminal in Delhi as well as other locations in the country. As such, there has been no increase in the charges for Cargo Services at CUDCT at IGIA."

3.2 DIAL did not respond to the Authority's letters dated 30.04.2010 and 10.05.2010. The reply submitted by DCSC was not satisfactory and silent about whether the charges levied from the domestic cargo carriers are new charges in so far as such carriers or their agents are concerned. Therefore, Authority vide its letter dated 08.06.2010, asked DIAL to submit a factual report along with appropriate clarifications in the matter before 15.06.2010.

3.3 DIAL, vide its letter No. DIAL/2010-11/Comm-Cargo/684 dated 17.06.2010, informed that they are working on the details requested by the Authority and requested an extension of 10 days to provide the requisite information.

4.1 DIAL, vide letter dated 26.06.2010, clarified that the CUDCT has been developed to consolidate the scattered domestic cargo operations around the IGI Airport and bring them under one roof in a secured and integrated environment, enhance the synergy in cargo handling operations and also directly assist in improving the operational efficiency through the concept of cargo village.

4.2 Further, in terms of the provisions of OMDA, DIAL has, through competitive bidding process, appointed through grant of concession two unrelated entities for the provision of the cargo services at the IGI Airport, as under:

- (i) In respect of the existing cargo terminal (Brownfield Cargo Terminal) M/s Celebi Delhi Cargo Terminal Management India Private Limited (CELEBI); and
- (ii) In respect of the proposed new cargo terminal (Greenfield Cargo Terminal) M/s Delhi Cargo Service Centre Pvt. Ltd. (DCSC).

4.3 DIAL clarified that CELEBI is handling and operating the brownfield cargo terminal, servicing the international cargo operations and DCSC which is undertaking the setting up and operation of the Greenfield Cargo Terminal is servicing the domestic cargo operation from the Common User Domestic Terminal (CUDCT) till the new Greenfield Terminal is developed and commissioned by DCSC which is expected by January, 2011.

4.4 Eventually both the cargo terminals (i.e. Brownfield Cargo Terminal and the Greenfield Cargo Terminal) shall offer, undertake and service both domestic and international Cargo terminal services thereby bringing in the desired competition as mandated in OMDA. The same is expected to be achieved by January 2011.

4.5 Further, the factual position sought from DIAL has been provided to the Authority by DCSC vide their letter dated 14.05.2010 and DCSC has provided the facts and clarifications vide their letter dated 26.06.2010.

5. DACAAI, vide letter dated nil (received on 07.07.2010), stated that creation of Cargo Service Centre for domestic cargo is new development. Hence, charges introduced are also new charges, which needs approval from the Authority. They have submitted that domestic cargo was never processed through Common User Terminal but was tendered to the Airlines directly who did not levy any charges for the services.

6. The Authority observed that:

- (a) In terms of Section 2 (a) of the Act, any service provided for the cargo facility at an airport is an "aeronautical service". The tariff for the Aeronautical Services at the major airports is to be determined by the authority, in terms of Section 13(1) (a) of the Act. IGI airport New Delhi is a major airport. Therefore imposition of any new charges in respect of cargo facility or change in rates of any existing charges would require previous approval of the authority.
- (b) Processing of domestic cargo at Cargo Service Centre is a new activity as earlier it was being done by airlines themselves. This new activity is also being carried out by a new entity viz. DCSC. Hence levy of TSP and other related charges for handling of cargo appear to be new charges and DCSC is required to obtain previous approval of the Authority as per the (b)

above. Therefore, the levy of such charges without previous approval of the Authority is in contravention of S.13(1) (a) of the Act and continuance of such levy is a continuing contravention of the statutory provisions.

- (c) DIAL delayed the submission of information. DIAL and DCSC refrained from clarifying whether the charges being levied from domestic cargo carriers are new in so far as such carriers or their agents are concerned.
- (d) The Authority has recently issued its Order No. 05/2010-11 dated 02.08.2010 in the matter in the matter of Regulatory Philosophy and Approach in Economic Regulation of the services provided for Cargo Facility, Ground Handling and Supply of Fuel to the aircraft at the major airports in respect of independent service providers, along with the draft guidelines for tariff determination.

7. Keeping in view the above, the Authority issued Directions (No.03/2010-11 dated 06.10.2010-**Annexure-I**) under Section 15 read with Section 13 of the Act to DCSC to stop charging TSP and Unitization and De-Unitization charges and to DIAL to stop charging X-Ray baggage screening charges from the users, w.e.f. 01.05.2010. DIAL and DCSC were also advised that to, if they so desire, they may submit a proposal for determination of tariff in line with the draft guidelines issued by the Authority on 02.08.2010.

8. Authority has, thereafter, received a letter Ref: DIAL/ AERA/2010-11/1720 dated 08.11.2010 (**Annexure-II**), from DIAL. It has been submitted that:

- (i) There is a contradiction between the letter dated 30.4.2010 of DACCAI and another letter dated 7.07.2010.
- (ii) X-Ray screening is provided by DIAL in terms of mandate given by the BCAS vide their letter no CAS-8(4A)2005-08/DIV-1(Cargo) dated 14.11.2008. Further, as per Circular No. 03/2003 issued by BCAS minimum specifications/standards, as regards to X-Ray, is same both for domestic as well as international cargo. Therefore, pursuant to the creation of the domestic cargo facility, DIAL had extended the existing international cargo X-Ray charges to the said services to domestic cargo.
- (iii) This is a very critical activity and is essential for the safety of passengers and aircraft. If the Direction is given affect to, it will lead to irreparable and irreversible cessation of domestic cargo handling activities at the IGI airport. This will cause extraordinary and irreparable loss and damages to the entire community of airlines, shippers, agents and users and the export import business community.
- (iv) Section 2(a)(v) of the AERA Act, 2008, "includes Cargo facility (which includes X-Ray) as an Aeronautical Service". However, their concession agreement defines cargo handling and services (which includes x-ray) as non aeronautical services. Compliance with the concession agreement needs to be adhered to in a holistic manner to ensure that the commercial position of DIAL is not eroded. Further, "under clause 13(a)(vi) of the AERA Act, due consideration needs to be given to concession offered by the Central Government".

- (v) AERA is yet to finalize its regulatory philosophy and approach in economic regulation of airports. While AERA has communicated in various forums and documents that it would consider the provisions and the effect of the concession agreements for the concerned airports, it has yet to come out with the framework within which such issue will be addressed.

In view of the above, DIAL requested that they may be permitted to continue to levy X-Ray charges for domestic cargo. This letter of DIAL was received in the Authority on 10.11.2010.

9. Vide another letter Ref: DIAL/AERA/2010-11/1735 dated 11.11.2010, DIAL, in continuation and modification of the aforesaid letter dated 8.11.2010, submitted that:

- (i) The scope of X-Ray services for domestic X-Ray as well as international X-Ray as mandated by BCAS, is same. Therefore they have adopted the X-Ray Screening (Certification) Charges for domestic cargo at the same levels as was in vogue for International Cargo X-Ray Screening (Certification) Charges.
- (ii) Existing X-Ray Screening Certification Charges in respect of international cargo, w.e.f. 16.01.2009, are as under:

	Rate per Kg*
Upto 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs.0.55

* Minimum charge Rs. 100 per AWB

This was supported with the copy of minutes of a meeting held on 16.01.2009 and the agreement dated 1.4.2010 with the Japan Airlines International Co. Ltd. and agreement dated 29.04.2010 with the Kingfisher Airlines Ltd.

In view of the above, DIAL requested for the Authority's approval for the X-Ray Screening (Certification) Charges for domestic cargo in respect of IGI Airport, New Delhi, w.e.f. 01.05.2010, as under:

	Rate per Kg*
Upto 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs.0.55

* Minimum charge Rs. 100 per AWB

A copy of DIAL's Ref: DIAL/AERA/2010-11/1735 dated 11.11.2010 is at (**Annexure-III**). However, copies of agreements entered in to by DIAL with Japan Airlines and Kingfisher Airlines are not being attached due to the reasons of commercial confidentiality.

10. Vide another letter Ref: DIAL/AERA/2010-11/1741 dated 12.11.2010 (**Annexure-IV**), DIAL clarified and confirmed that X-Ray Machine Usage Charges

are levied and collected by DCSC. Therefore, DIAL is not seeking any approval in this respect.

11. The Authority observed that:

- (i) There appears to be no material contradiction between the submissions made by DACAAI in their letters dated 30.4.2010 and 7.07.2010, as claimed by DIAL in their letter dated 8.11.2010.
- (ii) It is an admitted position of DIAL that as per section 2(a)(v) of the AERA Act, 2008 services provided for cargo facility (which includes X-Ray screening) at an airport is an aeronautical service. However, with reference to a Concession Agreement, they have claimed that cargo handling and services (which include X-Ray) is a non-aeronautical service and requested for compliance with the Concession Agreement. Though DIAL have not specified the Concession Agreement being relied upon by them, it is noted that the Central Government has entered into a State Support Agreement (SSA) on 26.04.2006 with DIAL. SSA does not give classification of services between aeronautical and non-aeronautical. It is to be further noted that as per the Operation Management and Development Agreement (OMDA) between Airports Authority of India and DIAL entered into on 04.04.2006, "aeronautical services" are listed in Schedule 5 and "non aeronautical services" are listed in Schedule 6 thereof. At sl. 3 and 4 of the Schedule 6, i.e., relating to the non aeronautical services, "cargo handling" and "cargo terminals" are mentioned, respectively. It would appear that DIAL is alluding to this provision of OMDA to claim that "cargo handling and services (which includes X-Ray)" are non aeronautical services as per Concession Agreement. It is a well considered and by now an oft-repeated position of the Authority that OMDA is not a concession offered by the Central Government. Therefore, the Authority is not statutorily bound to give consideration to the provisions of OMDA while determining tariff in respect of aeronautical services in terms of the Act. Further, even if the aforesaid provisions of OMDA in respect of non aeronautical services are read into SSA, such provisions of OMDA, in so far as they relate to services provided for cargo facility, are contrary to the specific and explicit provisions of the AERA Act, 2008 defining the cargo service as an aeronautical service and, thus, requiring the Authority to determine tariff thereof. Hence, the Authority cannot accept the view that mention of "cargo handling" and "cargo terminal" in OMDA as non-aeronautical service means that this service has gone outside the regulatory ambit. The Cargo service clearly remains aeronautical service requiring tariff determination by the Authority. As such, the Authority cannot be expected to give effect to the said provisions of OMDA. Thus, it is clear that the services provided for cargo facility which includes X-Ray screening services, are aeronautical services, that have to be regulated by the Authority. DIAL appear to have realized this position and have, therefore, in modification of their earlier stand taken in letter dated 08.11.2010, have on 11.11.2010 sought the approval of this Authority for the X-Ray Screening (Certification) Charges.

- (iii) BCAS has issued a Circular No. 03/2003 on 23.1.2003 laying down minimum specifications/standards for X-Ray Baggage Inspection System (X-BIS) for screening of hand baggage, registered baggage, unaccompanied baggage, cargo, mail, etc. It would appear from the aforesaid Circular that no distinction is being made in so far as X-Ray screening standards are concerned, between the domestic cargo and international cargo.
- (iv) In a meeting held on 16.1.2009 between DIAL and BAR (India) Cargo X-Ray Screening Charges were mutually agreed as under:
- a) Upto 500 MT of cargo per month Re 0.90/Kg
 - b) Beyond 500 MT per month Re. 0.80 / Kg
 - c) X-ray machine Usage Charges will remain Rs. 0.75 / Kg, till any revision

It has been clarified by DIAL that X-Ray Machine Usage Charges are recovered by DCSC. Therefore, these are not to be considered by the Authority, presently.

- (v) In the agreement dated 1.4.2010 entered with Japan Airlines another slab of charges, i.e., Rs. 0.55 per KG above 700 ton per month with a minimum charge of Rs. 100 per Air Way Bill has been agreed to. In the agreement dated 29.4.2010 with Kingfisher Airlines, which is with reference to certification of domestic cargo, the slab is same as in case of Japan Airlines, with minimum charge of Rs. 100 per Air Way Bill have been agreed to. Therefore, DIAL's claim that they have been charging the given rates in respect of X-Ray Screening (Certification) for international cargo appears to be, prima facie, acceptable.
- (vi) X-Ray Screening is a security function. Therefore, there is a merit in DIAL's request for early consideration of their request for approval.

7. In view of the above, in exercise of powers conferred under section 13 (1) (a) of the Act, the Authority proposes to approve the levy of X-Ray Screening (Certification) Charges for domestic cargo at IGI Airport, New Delhi, by DIAL, at following rates, w.e.f. 01.05.2010, subject to stakeholder consultation:

	Rate per Kg*
Upto 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs.0.55

* Minimum charge Rs. 100 per AWB

This will be reviewed at the stage of tariff determination, for the first cycle, in respect of IGI Airport, New Delhi.

8. The Authority solicits feedback, comments and suggestions from stakeholders on the proposal contained in para 7 above. Comments/submissions may please be furnished to the Authority, **latest by 27th November, 2010**, at the following address:

Shri Sandeep Prakash

Secretary

Airports Economic Regulatory Authority of India

AERA Building,

Administrative Complex,

Safdarjung Airport, New Delhi- 110003

Email: sandeep.prakash@aera.gov.in, sandeep.moca@nic.in

Tel: 011-24695040

Fax: 011-24695039

Yashwant S. Bhave
Chairperson

Airports Economic Regulatory Authority of India

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

Dated the 6th October, 2010

**Direction under Section 15 read with Section 13 of
The Airports Economic Regulatory Authority of India Act, 2008.**

No.AERA/20011/DIAL-C/2010-11 (03/2010-11) -----Whereas the Airports Economic Regulatory Authority of India (hereinafter referred to as the 'Authority'), established under "The Airports Economic Regulatory Authority of India Act, 2008" (hereinafter referred to as the 'Act') is to perform the functions in respect of major airports, inter alia, to determine the tariff for the aeronautical services; to determine the amount of the development fees in respect of major airports; to determine the amount of the passengers service fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934; and to monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorized by it in this behalf.

2. Whereas as per section 2(a)(v) of the Act, any service provided for the cargo facility at an airport is an "aeronautical service", and the tariff for such aeronautical service at a major airport is therefore to be determined by the Authority in terms of Section 13 (1) (a) of the Act.

3. Whereas any levy of charges in connection with the provision of cargo facility related services at a major airport, without the previous approval of the Authority, is in contravention of section 13 of the Act.

4. Whereas under section 15 of the Act, the Authority, may for the purpose of discharge of its functions under the Act, issue, from time to time to the service providers, such directions as it may consider necessary.

5. Whereas M/s Domestic Air Cargo Agents Association of India (DACAAI) filed an application dated 30.04.2010 (**Annexure-I**) against the levy of Terminal, Storage and Processing (TSP) charges, X-Ray screening charges, Unitization and De-unitization charges by M/s Delhi Cargo Service Centre Pvt. Ltd (DCSC) at its newly created Common User Domestic Cargo Terminal (CUDCT) at IGI, Airport, New Delhi. DACAAI



submitted that, presently, all domestic airlines provide the warehouse and X-Ray screening facilities and undertake the process of unitization and de-unitization and they never charged separately for these facilities and that the overall freight charges charged by the airlines were inclusive of the charges for these facilities and M/s.Delhi International Airport Pvt Ltd (DIAL) has commissioned common user terminal for domestic cargo at IGI Airport and had concessioned it to DCSC and that DIAL has proposed to charge, cargo handling charges under the heads of unitization charges, de-unitization charges and X-Ray screening charges.

6. Whereas M/s.DIAL and M/s.DCSC have not obtained any approval from the Authority for the levy of TSP charges, X-Ray screening charges, Unitization and De-unitization charges..

7. Whereas the Authority vide letter dated 30.04.2010, **(Annexure-II)**, addressed to M/s DIAL stated that in terms of Section 2 (a) (v) of the Act, any service provided for the cargo facility at an airport is an "aeronautical service", and tariff for such service at the major airports is to be determined by the Authority, in terms of Section 13(1)(a) of the Act. IGI airport, New Delhi is a major airport and therefore imposition of any new charges in respect of cargo facility or change in rates of any existing charges would require previous approval of the Authority and requested a factual report for further consideration by the Authority by 07.05.2010 followed up by a reminder on 10.05.2010 **(Annexure III)**.

8. Whereas DCSC vide its letter dated 14.05.10, **(Annexure-IV)**, inter-alia, submitted that there has been no increase in the charges for cargo services at CUDCT at IGIA and CUDCT is an extension of Cargo Services being provided at IGIA, the charges for services offered are identical or lower for similar services at the International Cargo Terminal in Delhi as well as other locations in the country.

9. Whereas DIAL did not respond to the Authority's letter dated 30.04.2010 nor 10.05.2010, DIAL was again asked vide the Authority's letter dated 08.06.2010 **(Annexure-V)** to submit a factual report along with appropriate clarifications in the matter before 15.06.2010.

10. Whereas DIAL, vide letter dated 26.06.2010, **(Annexure-VI)** stated that CELEBI is handling and operating the brownfield cargo terminal, servicing the international cargo operations and DCSC which is undertaking the setting up and operation of the Greenfield Cargo Terminal is servicing the domestic cargo operation from the CUDCT till the new Greenfield Terminal is developed and commissioned by DCSC which is expected by January, 2011 and eventually both the cargo terminals (i.e. Brownfield Cargo Terminal and the Greenfield Cargo Terminal) shall offer, undertake and service both domestic and international Cargo terminal services thereby bringing in the desired competition as mandated in OMDA and whereas DIAL, inter-alia, stated that DCSC has already provided the facts and clarifications on the subject issue.



11. Whereas DIAL did not clarify whether the charges being levied from domestic cargo carriers are new charges in so far as such carriers or their agents are concerned.

12. Whereas M/s DCSC in the additional submission vide letter dated 26.06.2010 **(Annexure-VII)** has, inter-alia, submitted that earlier as airlines were performing domestic Cargo handling (i.e. unitization, de-unitization) and X-Ray screening, these charges were in built by the Airlines as part of freight charges. Now, Cargo handling services being done by DCSC as Cargo terminal operator (CTO) and the X-ray screening being handled by DIAL, these charges are not extra costs; but only reallocation of charges and that TSP is a standard charge levied at all the airports in the country having Common User Domestic Cargo facility for the facilities provided at the terminal and is thus not a new charge and as the CUDCT has been developed at IGI Airport now, the charges have been levied now in line with prevalent practice at other airports and that the TSP charges at IGI Airport are identical or lower among all the other airports having similar facility.

13. Whereas DACAAI, vide letter dated nil (received on 07.07.2010) **(Annexure-VIII)**, has stated that creation of Cargo Service Centre for domestic cargo is new development, hence charges introduced are also new charges which needs approval of the Authority and submitted that domestic cargo was never processed through Common User Terminal but was tendered to the Airlines directly who did not levy any charges for the services.

14. Whereas upon careful consideration of the material available on records, the Authority is of the opinion that the processing of domestic cargo at Cargo Service Centre is a new activity which was earlier being done by airlines themselves, and this new activity is being carried out by a new entity viz. DCSC ; and the levy of TSP and other related charges for handling of such cargo, therefore, appear to be new charges and DCSC and DIAL, as the case may be, are required to obtain previous approval of the Authority for the same and therefore, the levy of such charges without previous approval of the Authority is in contravention of S.13(1)(a) of the Act and continuance of such levy is a continuing contravention of the statutory provisions.

15. Whereas DIAL has delayed the submission of information and both DIAL and DCSC have refrained from clarifying whether the charges being levied from domestic cargo carriers are new in so far as such carriers or their agents are concerned.

16. Whereas, the Authority vide its letter dated 30th April, 2010, addressed to M/s DIAL had specifically noted that in terms of Section 2 (a) (v) of the Act, any service provided for the cargo facility at an airport is an "aeronautical service", and tariff for aeronautical service at the major airports is to be determined by the Authority, in terms of Section 13(1)(a) of the Act and IGI airport, New Delhi is a major airport and therefore imposition of any new charges in respect of cargo facility or change in rates of any existing charge without the previous approval of the Authority would be without any authority in law.



17. Now, therefore, in terms of powers conferred on it under Section 15 read with Section 13 of the Act, the Authority hereby directs DCSC to stop charging the TSP charges, Unitization and De-unitization charges and M/s.DIAL to stop charging the X-Ray screening charges with effect from 01.05.2010, in respect of domestic cargo at the IGI Airport, New Delhi.

By the Order of and in the name of the Authority


(Sandeep Prakash)
Secretary

To,

1. Delhi Cargo Service Centre Pvt Ltd,
A-294/1, Road No.6,
NH-8, Mahipalpur Extn
New Delhi – 110 037
(Through : Shri Radharamanan Panicker, Director)
2. Delhi International Airport (P) Ltd
Uran Bhawan, Opp ATC Complex,
IGI Airport,
New Delhi – 110 037.
(Through : Shri Kiran Kumar Grandhi, Managing Director)

Copy to :-

1. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi – 110003.
2. Shri Arvind Nayak, President, Domestic Air Cargo Agents Association of India (DACA AI), 5-C-105, Mittal Industrial Estate, Andheri Kurla Road, Andheri (East), Mumbai – 400 059
3. Shri Arvind Jadhav, Chairman & Managing Director, NACIL, Air India Building, Nariman Point, Mumbai.
4. Mr. Ansbert D'souza Chief Operating Officer, Air India Express Old Airport, Santa Cruz (E), Mumbai 400027
5. Shri Vipin Kumar Sharma, Managing Director, Alliance Air, 205, G + 5 Building, IGI Airport, Terminal – II, New Delhi 110037.
6. Shri Naresh Goyal, Chairman Jet Airways, SM Centre, Andheri Kurla Road, Andheri (East), Mumbai-400 059
7. Dr. Vijay Mallya, Chairman, Kingfisher Airlines, Kingfisher House, Vile Parle East, Mumbai-400 057



8. Shri Sanjay Aggarwal, CEO, Spicejet Airlines Ltd., Plot No. 319, Udyog Vihar, Phase-IV, Gurgaon, Haryana.
9. Shri Naresh Goyal, Chairman, Jet Lite (India) Ltd., SM Centre, Andheri Kurla Road, Andheri (East), Mumbai-400 059
10. Shri Jeh Wadia, Managing Director, Go Airlines, Paper Box House, Off Mahakali Caves Road, Andheri (E), Mumbai-400093
11. Ms. Tulsi Nowlakha Mirchandaney, Managing Director, Blue Dart Aviation Ltd., No. 88-89 Old International Terminal, Meenambakkam Airport, Chennai-600 027
12. Capt. G. R. Gopinath, Chairman & Managing Director, Deccan Cargo & Express Logistics Pvt. Ltd., 4th & 5th Floor, Raheja Paramount, 138, Residency Road, Bangalore-560 025.
13. Shri Rahul Bhatia, Group Managing Director, InterGlobe Aviation Limited ("IndiGo") Tower-C, Global Business Park, M-G Road Gurgaon 122002, Haryana
14. Shri M. Thiagrajan, Managing Director, Paramount Airways Pvt. Ltd., Alexander Square, 35, Sardar Patel Road, Guindy, Chennai.
15. Capt. Mukut Pathak , Aryan Cargo Express, A-87/88, Road No. 4 Mahipalpur Extn, New Delhi - 37.

सत्यमेव जयते

भा.वि.आ.वि.प्रा.
AERA



Delhi International Airport (P)Limited

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1750/secy/10
10/11/10

Recd. Today at
14:30 hrs.
10/11/10

~~DSD-II~~

SM (ATBS)

Ref: DIAL/AERA /2010-11/1720

The Secretary

Airports Economic Regulatory Authority (AERA),
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110003.

Date: 08th November 2010

(A)
10/11/10

Dear Sir,

Sub: Your communication vide letter no. AERA/20011/DIAL-C/2010-11 (03/2010-11) dated 6.10.2010.

This has reference to your subject communication dated October 6, 2010. Considering that Delhi International Airport Pvt. Ltd. (DIAL) is levying X-ray Charges, in this response we have contained ourselves to X-Ray Charges alone and we submit the following for your kind consideration:

1. The Domestic Air Cargo Agents Association of India (DACAAI) in its filing to AERA dated April 30th 2010 under point 3 have stated the following:

"That at present all domestic airlines are providing warehouses and x-ray screening facility for the transportation of cargo by air. The airlines themselves undertake the process of unitization and de-unitization at their end. However, the airlines do not charge separately for the aforesaid facilities and the freight charges are inclusive of the charges for the aforesaid facilities."

As such they have confirmed that:

1. X-ray is an existing service earlier being carried out by the Airlines
2. X-ray services were being charged as part of overall freight charges.

However DACCAI in their letter dated nil received at AERA on July 7th 2010 (which was not shared with us prior to passing the subject direction) has submitted the following:

"For the domestic cargo industry processing cargo through Common User Terminal in itself is a new development. Therefore charges for the services now being levied is also a new charge."

"In other words, domestic cargo was never processed through Common User Terminal but was tendered to the Airlines Directly who never levied any charges for these services."

A reading of the above two responses of DACAAI, it is evident that DACAAI has contradicted itself between the two responses. It is clear that X-Ray service was earlier rendered by airlines and X-Ray charges were bundled into freight charges. However in order to streamline the operations and to provide a one window service under single roof, a Common User Terminal (CUDCT) was started thereby ensuring efficient operations resulting in



unbundling of the erstwhile freight charges being charged by airlines to include X-Ray service as one of the charges. Therefore the statement by DACAAI that the CUDCT is a new development and these charges being a new charge, are incorrect. The statement made by DACAAI in its letter dated April 30, 2010 is the correct factual position.

2. Bureau of Civil Aviation Security (BCAS) vide its order number 01/2006 dated 04-12-2006 has prescribed that, all cargo consignments has to undergo x-ray screening. A copy of the circular (01/2006) is enclosed in **annexure 'A'**
3. BCAS vide their letter No. CAS-8(4A) 2005-08/Div-1(Cargo), Dt. 14-11-2008 has mandated X-Ray screening services to be provided by the airport operator (DIAL). **annexure 'B'**
4. BCAS vide its circular number 03/2003 have also laid down the Minimum specifications /Standards as regards to X-ray which is same both for Domestic as well as International. A copy of the circular (03/2003) is enclosed in **annexure 'C'**.

Also BCAS in its circular number 20/2005 and 16/2006 have laid down the specification as regards to qualification of screeners. A copy of the aforesaid circulars are enclosed as **annexure 'D and E'**

Based on the same the security standards implemented by DIAL for processing Cargo are as follows:

SN	EQUIPMENT	CARGO LOCATION	
		DOMESTIC	INTERNATIONAL
01	X-Ray Baggage Inspection system	As per BCAS standards. Make : Smith Heimann	As per BCAS standards. Make : Smith Heimann
02	Qualification of Screener	Should be in possession of Valid BCAS Certificate	Should be in possession of Valid BCAS Certificate
03	Should have qualified in DGR Examination	Yes	Yes
04	Standard of Screening	As per BCAS standards	As per BCAS standards

It is thus evident that the mandated service levels for x-Ray screening for both Domestic as well as the International cargo are same. Thus there is an established benchmark (International) X-Ray for the charges being rendered for X-Ray for a similar level of service. Given the established benchmark, DIAL post the creation of the said facility, extended the existing International Cargo X-Ray charges to the said services to Domestic Cargo.

5. You are aware this service is a very critical activity and is essential for the safety of passengers and aircraft. If the communication is given effect to, it will lead to irreparable and irreversible cessation of domestic cargo handling activities at the IGI airport. This will cause extraordinary & irreparable loss and damages to the entire community of airlines, shippers, agents and users and the export import business community.
6. We are aware that Section 2 (a) v of the AERA Act, 2008 includes Cargo Facility (which includes X-Ray) at an airport as an Aeronautical Service. However you would appreciate that our concession agreement defines Cargo Handling and Services (which include X-Ray) as non aeronautical services. Compliance with concession agreement needs to be adhered to in a holistic manner to ensure the commercial position of DIAL is not eroded. Under clause 13 (a)(vi) of the AERA Act, due consideration needs to be given to concession offered



by the Central Government. AERA is yet to finalize its Regulatory Philosophy and Approach in Economic Regulation of Airports. While AERA has communicated in various forums and documents that it would consider the provisions and the effect of the concession agreements for the concerned airports, it has yet to come out with the framework within which such issue will be addressed.

Therefore, in view of the above submissions, we request you to permit us to continue the levy of X-Ray charges for Domestic Cargo.

We would look forward to your favorably response in this regard.

Yours sincerely,

For Delhi International Airport Private Limited



Sidharath Kapur

Chief Financial Officer - Airports

CC: The Secretary, MoCA

RESTRICTED

NO.CAS-8(4A)2006-DIV-1
GOVERNMENT OF INDIA
BUREAU OF CIVIL AVIATION SECURITY
(MINISTRY OF CIVIL AVIATION)
A-WING JANPATH BHAWAN
JANPATH, NEW DELHI
Dated: 4.12.2006

AVSEC ORDER NO. 01/2006

Subject:- Security measures for Air Cargo.

As the widespread implementation of aviation security measures regarding passengers and their baggage have become more effective so has air cargo become more attractive option for those persons attempting to carry out an act of unlawful interference. As per the Standards of Annex 17 to the Convention on International Aviation it is mandatory to establish measures to ensure that the cargo consignments intended to be carried by air are subjected to appropriate security controls.

2. In view of the above and also the threat perception from terrorists outfits to civil aviation operations, Commissioner of Security (Civil Aviation), Bureau of Civil Aviation Security, in exercise of powers conferred by Section 5A of Aircraft Act 1934 delegated to him vide Government of India, Ministry of Civil Aviation Notification No. 1797 dated July 3, 1997 for the purpose of securing the safety of aircraft operation directs that the following instructions with regard to security check of all cargo shall be implemented before loading the cargo into the aircraft for transportation:-

- i) All cargo consignments and mail shall be subjected to xray screening by trained and BCAS certified screeners of the concerned airlines;
- ii) The consignments which cannot be screened through xray due to size constraints, volume or contents of the consignments, shall be physically checked by the security staff mentioned above and a security sticker indicating the procedure of security check applied shall be affixed on each consignment;
- iii) In case of cargo consignments which can neither be xrayed nor can be physically checked on account of the nature of the consignments, the airline operators shall certify in each case that a particular consignment intended for carriage by air can neither be x-rayed nor physically checked. In such case the airline operators may transport such consignments only after observing 24 hours cooling off period,

Contd...2

- iv) After security check of the cargo consignments, security stickers as per the specimen given below shall be pasted / affixed by the security staff of the air operator on each cargo consignments / baggage/ unitized pallets;

AIR Operator	Sl. No
X-RAYED	Date
PHYSICALLY CHECKED	Station
COOLED OFF	

- (v) A proper record shall be maintained by the aircraft operators of the security procedure implemented by them and will be made available for inspection by the BCAS officers;
- (vi) The security measures as mentioned above shall be specifically indicated in the cargo manifest against each cargo consignment. The cargo consignment, when taken to airside for loading into the aircraft, shall be accompanied with the cargo manifest;
- (vii) Airport security Unit (APSU) deployed on the entry point of the airside shall check / ensure the following :-
 - a. Security sticker pasted on the cargo consignment.
 - b. Cargo manifest
 - c. Access control of persons / vehicles.
- (viii) APSU shall ensure on the basis of cargo manifest and security stickers affixed on consignments / baggage / pallets, in the form it is taken to airside, that the above measures have been taken by the aircraft operators and in token of confirmation, the cargo manifest shall be countersigned by the responsible officer of the APSU on duty before transportation to airside for loading;

3. The aircraft operators shall ensure that cargo and mail to be carried on an aircraft are protected from unauthorized interference from the point security controls are applied until departure of the aircraft.;

4. Before cargo is loaded into the aircraft, aircraft operators security, staff shall ensure that no cargo consignment is allowed unless it has passed through the prescribed security control. The cargo manifest shall be signed by the aircraft operator security staff on the apron, in token of the above procedures having been followed by them.

Contd...3

5. The aircraft operators operating from airports in India shall incorporate these instructions in their Security Programme and confirm the same to the BCAS

6. Legal action Under Section 11 A of the Aircraft Act 1934 shall be taken against the Air Operators who violate the above directions. Such export cargo consignment shall not be allowed for loading into the aircraft by APSU on duty;

7. In order to enforce security controls to the cargo consignments, the prescribed security declaration shall be signed by authorized cargo agents as per BCAS AVSEC Order No.6/2005 dated 2.12.2005.

8. This issues with the approval of Commissioner of Security (CA) and supersedes all previous AVSEC Orders / Circulars on the above subject.

9. The above instructions shall be implemented with immediate effect.

(M. Malaviya)
Addl. Commissioner of Security (CA)

Distribution as per list attached

ANNEXURE: (B)

GMR-DIAL(Cargo)

FAX-23315695 / 23311598

NO.CAS-8 (4A) 2005-08/DIV-1(Cargo)
BUREAU OF CIVIL AVIATION SECURITY
(MINISTRY OF CIVIL AVIATION)
GOVERNMENT OF INDIA
A WING, JANPATH BHAWAN,
JANPATH, NEW DELHI -110004
Date: 14.11.2008

To

The Executive Director (Security & Vigilance)
Udaan Bhawan, Terminal 1-B,
IGI Airport, New Delhi.

Subject: X-ray screening of Cargo at IGI Airport, New Delhi

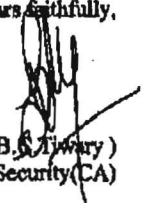
Sir,

Please refer to your letter No. DIAL/Security/2008-09/4306 dated 20.10.2008 on the subject cited above.

2. The undersigned is directed to convey "no objection" to the proposal if the prescribed Security Control of Cargo is carried out by Screeners certified by the BCAS who are on the regular pay roll of DIAL.

Yours faithfully,

07/11

(B.S. Tary) 
Dy. Commissioner of Security (CA)

ISSUED / CA / 11/11/08

ANNEXURE :

(C)

CIRCULAR NO 03 / 2003

Sub: Minimum specifications / standards for X-ray Baggage Inspection System (X-ray BIS) for screening of hand baggage, registered baggage, unaccompanied baggage, cargo, mail, etc.

In supersession of all previous circulars issued by this Bureau on the above subject, minimum specifications / standards for procurement of X-ray Baggage Inspection System (X-ray BIS) have been revised after deliberating the issue at length with the concerned agencies and given in Appendix-A enclosed with this Circular.

2. While procuring the X-ray BIS for the purpose mentioned in the subject, it shall be ensured by the concerned agencies that the minimum prescribed specifications / standards are met. The concerned agencies may also consider further improvement in technology, size of tunnels and operational efficiency of the X-ray Baggage Inspection System.

3. BCAS will not associate with the procurement process of any particular model or make of the X-ray BIS. However, if it is noticed that the X-ray BIS does not meet the minimum prescribed standards/ specifications such a machine shall not be allowed for screening of baggage, cargo, mail etc..

4. Prior permission for installation of X-ray BIS shall be obtained from the Bureau by the concerned agency.

5. The contents of the circular may be shared on need to know basis.

(R.K. Singh)
Addl. Commissioner of Security(CA)

Case NO. CAS-2(2)/2002(Tech)-DIV-II dated 23.01.2003

APPENDIX - A

BUREAU OF CIVIL AVIATION SECURITY

SPECIFICATIONS FOR X-RAY SYSTEM FOR BAGGAGE INSPECTION AND CARGO

1. The machine should operate on 230V AC 50 Hz power supply and should be able to withstand voltage fluctuations in the range of 170V to 260 V.
2. Tunnel size of the machine should conform to the purpose for which the machine is used.
3. Penetration: Penetration should be greater than 25 MM thickness of steel.
4. Resolution: The machine should be able to display single insulated tinned copper wire of 38 SWG.
5. The system should be able to produce clear images on monochrome or colour monitors with minimum of 1024 X 768 pixels
6. Zoom facility should be available to magnify the chosen area of an image four time (X4) or more. Image features shall be keyboard controllable.
7. The machine shall be film safe. In other words photographic films shall not be damaged due to X-ray examination.
8. The machine should have features of multi energy X-Ray imaging facility where materials of different atomic number will be displayed in different colours to distinguish between organic and inorganic materials. With this method it should be possible to distinguish high-density organic materials including explosives. Machine should have variable colour or material stripping to facilitate the operator to monitor images of organic materials for closer scrutiny. No black & white machine should be procured in future except the machine operating on backscatter principle.
9. The radiation level should not exceed accepted health standard (0.1 m R/Hr) at a distance of 5 Cm from external housing).
10. Lead impregnated safety screens should be available at either end of the tunnel. Idle rollers to be provided at either end of the tunnel to facilitate placing of baggage at the input and output points.

11. The X-ray beam divergence should be such that the complete image of maximum size of bag is displayed without corner cuts.
12. Facility for variable contrast must be incorporated to allow enhancement of lighter and darker portion of the image.
13. If the machine fails to penetrate a particular item, then an alarm (visual or audible) should be generated to notify the operator.
14. A threat image projection (TIP) system software to be incorporated in all X-Ray BIS operation as per details given in Annexure-II.
15. Control desk with security housing and locking provision should be available. The Operator personal identification number can be entered through keyboards. Bi-directional atonal scanning facility should be provided.
16. Facility of edge enhancement should be available.
17. Conveyor belt speed should be between 0.18 and 0.3 mtr. / Second for X-ray baggage inspection system for hand and registered baggage. Lesser speed is acceptable for cargo screening.
18. The operating temperature should be 0°C to 40°C and storage temperature -20 °C to 50 °C.
19. Antirodent and dust proof cover must be provided.
20. The company manufacturing the equipment should have ISO certification for manufacturing and servicing of X-Ray screening machines.
21. The machine should be so designed that software enhancement can be easily implemented to take care of new technique in image processing and pattern recognition.
22. Through put shall be 300 bags per hour for hand and checked baggage and 150 bags per hour for cargo machines
23. **SAFETY:**
The machine must comply with requirements of health and safety regulations with regard to mechanical, electrical and radiation hazards. Before installation of the machine, the supplier / manufacturers should furnish NOC from Atomic Energy Regulatory Board of India regarding radiation safety.
24. One operator manual shall be provided with each machine.
25. **COMBINED TEST PIECE (CTP):**

The manufacturer shall provide one set of CTP per machine for checking serviceability of the machine by the operator. The details of CTP are enclosed as per Annex-1.

ANNEXURE - I

COMBINED TEST PIECE REQUIREMENTS

1. SINGLE WIRE RESOLUTION (TEST NO.1)

- 1.1 A set of uninsulated tinned copper wire of size 25 SWG, 30, 35, 38, 40 and 42 SWG are placed on a Perspex sheet. The wires are laid out in S shaped curves. The wires are placed behind varying thickness of aluminum. The requirement is to display 38 SWG wire not covered by step wedge. A tick will indicate the visibility of appropriate wire. Metallic marker should be provided using high density material, so that SWG numbers in the VDU are clearly visible.

2. USEFUL PENETRATION (TEST NO. 2)

- 2.1 Defines what level of details can be seen behind a thickness of known material. The requirement for this test is that the 24 SWG wire is seen under second step wedge (5/16"). (Note: This is equivalent to FAA, USA and DOT UK requirement). Tick on log sheet will indicate what wires are visible.

3. MULTI ENERGY X-RAY (TEST No.3)

- 3.1 With multi energy X-Ray it should be possible to distinguish between materials of different average atomic number. The use of sugar and salt samples encapsulated on the test piece and various materials used in the construction of CTP will check the material discrimination facility. A tick will indicate that the sugar / salt samples are shown in different colour.

4. SIMPLE PENETRATION (TEST No.4)

- 4.1. This test defines what thickness of steel the machine should be able to penetrate. The steel step wedge on the CTP has steps of 2 mm from 16 mm to 30 mm with a lead strip to check that the machine is above or below the requirement. The requirement is that lead is visible beneath 24 mm steel. A tick in log sheet will indicate where a difference between the lead strip and the step wedge is visible.

5. SPATIAL RESOLUTION (TEST No. 5)

- 5.1 This test defines the ability of the system to distinguish and display objects, which are close together. The CTP has 16 copper gratings at right angles to each other. The requirement is that a vertical horizontal grating can be seen. A tick in the log sheet will indicate that gaps in the gratings are visible.

6. **METHOD:**

- 6.1. The CTP is to be used as a quick routine test carried out daily to ensure that equipment is working properly and satisfactory image is obtained. The results of the tests should be recorded.
- 6.2. The CTP should be placed on the belt and passed through the belt at least once in a day before the baggage is screened or after the X-Ray equipment is switched on to ensure that the equipment is working properly. If the image is satisfactory the equipment may be used.
- 6.3. The CTP may be viewed by using image enhancing facility till the operator is satisfied that the machine is working properly. The optimum position of CTP on the belt will depend on X-Ray source and detector arrangements. This may be ascertained from the service engineer, if need arises.

7. **RESULTS:**

- 7.1 The best results taking both colour and Black & White images into account may be recorded for a particular machine.
- 7.2 The results of test should be recorded giving information like date, time, machine number and type, supervisors name and other remarks.
- 7.3 Supervisory officer should carry out the tests once in a week and compare the results with daily test sheets. In case the images are not up to the standard, service engineer must be asked to rectify the fault. The machine may not be used when its performance is in doubt or not satisfactory in the opinion of the supervisor.
- 7.4 The record must be kept by the operator for one year after final entry. The records may be checked by the inspecting officers of BCAS during airport inspection and report be submitted to Commissioner of Security (CA).

ANNEXURE - II

THREAT IMAGE PROJECTION (TIP)

1. TIP software facility shall be incorporated in the offered X-ray machines to assist supervisors in testing the operator alertness and training X-ray screeners to improve their ability in identifying specific threat object. The system will create a threat object and the same will be superimposed on monitor screen while a bag is being screened. To acknowledge that the operator has seen the false object, operator must press the control panel key that will cause the computer generated threat object to disappear from x-rayed bag image on the VDU screen. Each operator's action shall be recorded in the hard disc of the computer for the auditing purpose by the supervisor or other authorized person.

2 Design of the system

- 2.1. TIP software should be compatible with other X-ray technologies such as automatic reject unit, Dual X-ray screen technologies, automatic threat recognition system etc. All X-ray image functions must be available at the same time along with the TIP.
- 2.2. **Image library**
 - 2.2.1. The TIP facility should have an image library containing at least 100 explosive devices, 100 knives and 100 firearms in various sizes, shapes, locations & orientations. However, the system shall have facility to expand the library to incorporate additional images by user without assistance of the manufacturer.
 - 2.2.2. The image library should contain images of threats at different orientations -both plane and end-on orientation should be used. Although these will be assigned different file names and references, it must be possible to cross-reference these as the same threat. All threat Image Projection images must be realistic, representative and non distinguishable from real threat items.
- 2.3. **Time interval**

Programming facility shall be available to project threat images in different intervals. The time period for threat image as well as image mix in percentage shall be user programmable e.g. software shall select 40 % images of explosive devices, 35 % of fire arms & 25 % of knives or Random etc.

- 2.3.1. Once the screener has responded to identify the computer generated threat image, it should remain on the screen for a predefined user programmable time for analysis. The image should be highlighted, upon identification, and feedback message shall be visible to the screener.

2.4. System Administration

- 2.4.1. The threat image projection facility shall have details of user data-base such as airport name, screener name, organization, user ID number, level of access such as screener, Administrator, Maintenance & password etc.
- 2.4.2. Access to start up menu should be restricted only to the authorized individuals. A log - in procedure by means of "Password" or "Security Key", could achieve restricted access to each of the comment. The log - in procedure should not take longer than 20 seconds. The system should have facility to by pass the TIP facility, if programmed so by the system administrator. It is to be ensured that the TIP software shall not be hindrance to normal functioning of X-ray Machines.
- 2.4.3. When the operator logs - in or logs - out, message should be displayed on X-Ray BIS VDU Screen to confirm that he/she has been correctly logged - in or logged - out.

2.5 Feed Back Report

- 2.5.1. The threat image Projection should be capable of giving feedback "HIT, MISS or FALSE ALARM" message. No message will be presented if a screener correctly passed as clear bag.
- 2.5.2. A "HIT" message to be presented when a screener has correctly identified a Threat Image Projection image. A "MISS" message shall be presented when screener fails to identify the TIP image. A "False Alarm" message shall be given when screener incorrectly indicate TIP image when in fact no threat image projection is present. The feedback should clearly indicate in a screen that a TIP object has been correctly identified / a TIP object has been missed / or no TIP object was present. The information should be recorded in the database.

- 2.5.3. Different colour coding shall be used for feedback to the Screener. It is recommended that colour code "Red for MISS", Green for "HIT" and Yellow to False Alarm or Interrupt" be used.
- 2.5.4. The system shall automatically prepare the daily log of events for each shift and for each Screener performance. TIP log shall include particulars of Airport, XBIS, Name of Screener, Time & date of threat image, whether threat image was successfully identified or missed etc.
- 2.5.5. The report on Threat Image Projection system may have date and time (From - To) as per requirement, Screener particulars, and decision/out come i.e. MISS, HIT or False Alarm in percentage as well in absolute numbers, number of bags screened, categories such as explosive devices knife or weapon etc.
- 2.5.6. As a standard practice, daily / weekly / monthly report shall be retrieved. Report shall be for any given time and period, as per command.
- 2.5.7. All data should be stored on the system for a minimum of two months after it has been down loaded. No individual, regardless of access rights to the Threat Image Projection components would delete or amend any of threat Image Projection data or time i.e. Threat Image Projection data on the actual X-ray machine will be read only file.

Fax/ Ph: 011-23315695/ 23311598

NO.CAS-8(53)/2004/Div.V
BUREAU OF CIVIL AVIATION SECURITY
(MINISTRY OF CIVIL AVIATION)
GOVERNMENT OF INDIA
A WING, JANPATH BHAWAN
JANPATH, NEW DELHI -110001
Date : 13.6.2005

CIRCULAR NO. 20/2005

It has been decided that the NCASTP shall be enforced with effect from July 1st, 2005 and it shall be ensured by the concerned entities that no untrained / uncertified person is allowed to carry out the screeners job at the airports in the country.

(R. C Tayal)
Offg. Commissioner of Security (CA)

Distribution as per list attached.

ANNEXURE : E

JANPATH, NEW DELHI-01

NO.CAS-8 (05)/2006/Div-V/(Trg)

Dated: 28 Aug 2006

AVSEC CIRCULAR NO. 16/2006

SUB: RE - CERTIFICATION OF SCREENERS

In exercise of powers conferred by Section 5A of Aircraft Act 1934 delegated to him vide Government of India, Ministry of Civil Aviation Notification No.1797 dated July 3, 1997, Commissioner of Security (Civil Aviation), Bureau of Civil Aviation Security for the purpose of securing the safety of aircraft operation directs that the validity of the X-Ray Screeners certification shall be two years from the date of successfully passing the initial examination. Before the expiry of two years period, a candidate shall have to appear and clear the certification test for re-validation of the Screeners Certificate. It is reiterated that in terms of AVSEC Circular No. 34/2005, only trained and certified screeners shall be deployed for X-Ray Screening of all types of baggage, physical checking of Bags, frisking of persons and secondary ladder point checks.

1754/Secy/10
11/11/10

Date: 11th November 2010
Ref: DIAL/AERA/2010-11/1735

The Secretary
Airports Economic Regulatory Authority (AERA),
AERA Building,
Administrative Complex,
Safdarjang Airport,
New Delhi – 110003.

Dear Sir,

Sub: Levy of X-Ray Screening (Certification) Charges on the Domestic Cargo.

Ref: 1 Your communication no. AERA/20011/DIAL-C/2010-11 (03/2010-11) dated 6.10.2010. And
2 Our letter number DIAL/AERA/2010-11/1720 dated 8th November 2010.

In continuation of and in modification of our earlier letter dated 8th November 2010 we submit that as indicated there-in the scope of X-Ray services for Domestic X-Ray as well as International X-Ray, as mandated by BCAS, is same.

Therefore we have adopted the X-Ray Screening (Certification) charges for Domestic Cargo at the same levels as was in vogue for International Cargo X-Ray Screening (Certification) .

The Existing X-Ray Screening (Certification) Charges in respect of International Cargo at IGI Airport Delhi w.e.f 16-01-2009 is as under:

	Rate per Kg.*
Unto 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs. 0.55

*Minimum charge Rs.100 per AWB

We are enclosing copies of Minutes of the meeting dated 16th January 2009 as also copies of two agreements with Airlines wherein above charges were agreed by the Airlines.

In view of above we request AERA to approve, w.e.f 01-05-2010, X-Ray Screening (Certification) Charges for Domestic cargo as under:

	Rate per Kg.*
Up to 500 Tons/Month	Rs. 0.90
501 to 700 Tons/Month	Rs. 0.80
Beyond 700 Tons/Month	Rs. 0.55

*Minimum charge Rs.100 per AWB

We reiterate that this is an essential security service operation and the stoppage of the same shall lead to stoppage of Domestic Cargo Operations.

As such we request you to approve the aforesaid charges on a priority basis.

We look forward to your favorable response in this regard.

Yours sincerely,

For Delhi International Airport Private Limited


K. Narayana Rao
Director

Encl: As Above.

Minutes of the Meeting Held Between BAR (India) Cargo NR & Management of DIAL Cargo on Jan 16th 2009 at 1500 hrs in Conference Hall, Export Cargo Terminal to Discuss X-Ray Screening by DIAL at Cargo Terminal

Following were present

DIAL	BAR (India) Cargo NR
S/ Shri	S/ Shri
1. K. S. Kunwar, AVP (Cargo)	1. Vipin Jain, Chairman, BAR (I)
2. Sanjiv Edward, GM (Cargo Commercial)	2. Pankaj Nath, c/o KLM & AF
3. Sushant Nigam, AGM (Cargo) Admn	3. Arvind Agarwal, c/o KLM & AF
4. Yogendra Tomer, AGM (Cargo) Export	4. Tarun Minocha, c/o British Airways
5. Dharmender Yadav, AGM (Cargo) Security)	5. Birendra Yadav, c/o Singapore Airlines
6. Major Devendra Singh, Manager (Security)	6. Manoj Kr, Fedex
7. Manoj Sharma, Commercial Manager	

Sh. KS Kunwar welcomed all the participants and informed that BCAS had granted permission to DIAL for undertaking X-ray screening & certification of cargo at Cargo Terminal, IGI Airport. All the necessary arrangements have been made by DIAL in this regard and asked Major Devendra Singh to make the presentation regarding SOP made by DIAL. He also desired that the House be apprised by Sh. Sanjiv Edward of the charges proposed by DIAL. Major Devendra Singh made the presentation after which the queries presented by BAR (I) were discussed threadbare, details of which are as under :-

SN	Points Raised by Bar India Members	Reply / Clarification of DIAL
1	Services of the X-ray Screeners should be available on round the clock basis. There should not be any delays due to non-availability / technical problem vis-à-vis man / machine.	Services of DIAL screeners shall be available on round the clock basis and mainly during working hours.
2	Screened cargo should be held in sterile area - clean segregation required.	Shall be ensured by physical segregation of the screened cargo from the unscreened one.
3	Cargo to be x-rayed before binning in the bonded area. DIAL should takeover complete screening to make the process more effective.	Will be done in a phased manner. The existing procedure will remain till a revised procedure is implemented. DIAL is committed to provide secure services & infrastructure to the customers, we will take the assistance of BCAS to progress and implement this.
4	Procedure for hand search of odd sized cargo?	It was explained through SOP.
5	X- Ray charges to be levied along with TSP to the customer directly?	X ray charges shall be levied to Airlines as per the system in vogue.
6	Screening must be carried out by DIAL/GMR - not a third party.	Yes, by direct staff of DIAL.
7	Who in DIAL will hold overall responsibility of security - what will be the management structure vis-à-vis the screening activity.	The deployment of DIAL security personal for screening job will be 1 Manager + 5 Shift I/C + 71 BCAS Certified Screeners who will accountable to AGM(Security) Cargo under over all command of ED Security & Vigilance.
8	DIAL/GMR must raise CSC and meet all individual airline requirements (Stamping of AWB, Sticker, Seal etc)	Yes, we will provide evidence of certification as per process agreed.
9	CSC's must be raised immediately after the screening of an AWB is completed - not before or after.	Yes we will do
10	Type of equipment to be used - Model and Machines?	Current Models of Smiths Hieman already in position will be used.
11	Training - besides mandatory BCAS requirements?	DGR awareness & Cargo awareness training
12	TIP - Screen / Dummy test on screeners and records maintained - management of failures.	Yes to be maintained. Failures to be avoided through monitoring by shift in-charge/seniors.

13	CTP/ Step Wedge test must be conducted every time prior to start of the machine - minimum 30 days record required to be maintained.	Yes
14	Essential implementation of 20 minutes rotation of screener - to be moved off screen and not on to another machine.	Yes
15	Screener must have shipment documentation while screening - mandatory requirement.	Yes
16	Will NACIL be allowed to carry out screening - to keep rates in control and choice for carriers?	This will be governed by the prevailing Ground handling policy.
17	Small X-Ray Machine near TMO to reduce congestion?	Already one X ray machine placed in the airside which could be used for TMO.
18	Express Cargo Priority Screening requirements.	This can be offered based on agreement of services and charges.

ADDITIONAL POINTS DISCUSSED

19	Number of documents asked by DIAL at the time of screening (including Cargo Security Declaration) should be reduced to avoid additional documentation.	Team of DIAL security and DIAL cargo operations to have meeting with designated team of Bar India and understand the requirements.
20	Live animals will be X-Rayed or not	Will follow the BCAS instruction on the subject.
21	Any additional equipment for Explosive Detection	SABRE - 4000 available with Shift Security Manager on 24x7 basis.
22	24 hrs. Cargo Cooling off is not required w.e.f. 01-02-2009.	British Airways to provide the supporting document / information.
23	Account Consignment - if screening will be done at terminal or otherwise	Screening is compulsory at Cargo Terminal. Further clarification from BCAS required.
24	Records of Authorised Signatories	Though some authorized signatures of airlines & CHAs are available with security but a record shall be maintained of all the authorized signatories of trade members.
25	X-Ray Computer needs to be aligned with the ICMS network	DIAL IT – Cargo shall examine for early action.
26	Possibility of shorter route from Cargo Terminal to Terminal - 3	Request of BAR India Cargo will be forwarded to DIAL APD team for consideration.

Thereafter, Sh. Sanjiv Edward took up the matter of finalization of Charges for Certification. After lots of deliberations, following charges were mutually concurred between DIAL & BAR (I) :-

- a) Up to 500 MT of cargo per month - Re. 0.90 / Kg
- b) Beyond 500 MT per month - Re. 0.80 / Kg
- c) X-ray Machine Usage Charges will remain Re. 0.75 Kg., till any revision.

Meeting ended with a vote of thanks to the Chair.

Capt Dharmender Yadava

Associate GM (Security)

Delhi International Airport Pvt Ltd

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New Delhi - 110037

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DIAL Website: www.newdelhiairport.in

Corporate Website: www.gmigroup.co.in



DELHI INDIRA GANDHI
INTERNATIONAL AIRPORT

GAR

Date: 12th November 2010
Ref: DIAL/AERA/2010-11/1741

The Secretary
Airports Economic Regulatory Authority (AERA),
AERA Building,
Administrative Complex,
Safdarjang Airport,
New Delhi -110003.

10/12/11
OSD-11

Dear Sir,

Sub: Levy of X-Ray Screening (Certification) Charges on the Domestic Cargo.

Ref: 1 Your communication no. AERA/20011/DIAL-C/2010-11 (03/2010-11) dated 6.10.2010. And
2 Our letter number DIAL/AERA/2010-11/1720 dated 8th November 2010.
3 Our letter number DIAL/AERA/2010-11/1735 dated 11th November 2010.

In continuation of our earlier letter dated 11th November 2010 we hereby confirm that the current approval being sought by us is only for X-Ray Screening (Certification) Charges on the Domestic Cargo.

The X-Ray machine charges on the Domestic Cargo are being charged by Delhi Cargo Service Centre Pvt. Ltd (DCSC) and our current application does not include these charges.

We do hope the above clarifies the matter.

Yours sincerely,

For Delhi International Airport Private Limited


K. Narayana Rao
Director