

File No. AERA/20010/MYTP-AIS/C /BIAL/2011-12

Consultation Paper No. 16/2013-14



Airports Economic Regulatory Authority of India

**Annual Tariff Proposal for 3rd Tariff Year
submitted by Air India SATS Airport Services
Pvt. Ltd. for providing Cargo facility at
Bengaluru International Airport, Bengaluru.**

New Delhi: 10th July, 2013

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

The Authority had considered the Multi Year Tariff Proposal (MYTP), submitted by Air India SATS Airport Services Private Limited (AISATS), for Cargo services being provided by them at Bengaluru International Airport, Bengaluru (BIA), and after due stakeholder consultation issued Multi-Year Tariff Order (MYTO) No. 22/2011-12 dated 29.09.2011 ordering that the cargo facility rendered by AISATS at BIA is **“material but competitive” and hence the Authority adopt a “light touch approach” for determination of tariff** for the 1st control period w.e.f. 01.04.2011”. The Authority also determined the Tariff for the first tariff year in the said order. Thereafter, the Authority determined the tariff for the second tariff year (2012-13) accordingly, vide Order no. 44/2012-13 dated 15.02.2013.

2.1 The said tariff Orders were subject to the Order dated 19.10.2011 of the **Hon’ble AERA Appellate Tribunal** in Appeal No. 12/2011 filed by Bangalore International Airport Ltd. (BIAL), wherein it was stated 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 No. 12/2011, filed by BIAL has been disposed off vide Order dated 03.05.2013, (amended vide order dated 10.05.2013) wherein **Hon’ble** Appellate 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 In view of the disposal of this appeal, those orders would stand ‘withdrawn’ and in the result the implementation of tariff may now commence.”

3 As per para 7.4 of the Authority’s **Guidelines “[Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Cargo Facility, Ground Handling and Supply of Fuel to Aircraft) Guidelines 2011]”,** after issuance of the Multi Year Tariff Order, the service provider shall submit the Annual Tariff Proposal (ATP) at least 75 days prior to the start of tariff year. As per the clause 11.2 of the Guidelines [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], the ATP is required to be submitted in the form and manner as provided in Appendix A1.8.2 wherein it is mentioned that the ATP should be supported by:

- Form B and Form F14(b),
- Details of consultation with stakeholders
- Evidence of User Agreements clearly indicating the Tariff (s) proposed by the service Provider.

4.1 AISATS, vide letter dated 08.03.2013, submitted its Annual Tariff Proposal (ATP) for the third tariff year (FY 2013-14) in respect of the Cargo services being provided by it at BIA. Thereafter, vide email dated 31.05.2013, AISATS resubmitted its ATP for the third tariff year (FY 2013-14).

4.2 AISATS has submitted the following documents along with its ATP:-

- (i). Form-B
- (ii). Form-F14 (b)
- (iii). Copies of the minutes of the meetings held with stakeholders on 25.10.2012 as evidence of Stakeholder Consultation.

5. The Authority has carefully considered the ATP submitted by Air India SATS Airport Services Pvt. Ltd. and has decided to make the following proposal for stakeholder consultation:

- (i) The tariffs for the third tariff year (FY 2013-14) for cargo facility services provided by Air India SATS Airport Services Pvt. Ltd. at Bengaluru International Airport, Bengaluru are proposed to be as at **Annexure-I**.

6. In accordance with the provisions of Section 13(4) of the AERA Act, the proposal contained in para 5 above is hereby put forth for stakeholder consultation. To assist the stakeholders in making their submissions in a meaningful and constructive manner, necessary documents are enclosed as **Annexure-I & II**. For removal of doubts; it is clarified that the contents of this Consultation Paper may not be construed as any Order or Direction of this Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decision fully documented and explained in terms of the provisions of the Act.

7. The Authority welcomes written evidence-based feedback comments and suggestions from stakeholders on the proposal made in para 5 above, **latest by 24.07.2013** at the following address:

**Capt. Kapil Chaudhary(Retd.),
Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: kapil.chaudhary@aera.gov.in
Tel: 011-24695042
Fax: 011-24695039**

**Yashwant S. Bhave
Chairperson**

Annual Tariff Proposal for Tariff Year 3

Form F14 (b) - Annual Tariff Proposal for Tariff Year 3

PUBLISHED RATES TO BE PAID BY FREIGHT FORWARDER FOR INTERNATIONAL CARGO:

EFFECTIVE 1 APRIL 2013

S.N.	LIST OF CHARGES	FY 2013-14	
		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 (AV)	250.00	1.58
c)	PER/DGR/VAL cargo	250.00	2.73
2	CUSTOMS CARGO SERVICE PROVIDER CHARGE [CCSP] - (per Shipping	25.00	0.65
3	DEMURRAGE / STORAGE CHARGE (rate per kg per day)		
a)	General cargo	136.50	0.84
b)	Special cargo (AV)	262.50	1.58
c)	PER/DGR/VAL cargo	262.50	2.73
4	COURIER HANDLING CHARGE	150.00	1.58
5	PACKING/REPACKING/STRAPPING CHARGE	5.00 per Carton/Bag	
6	RETURN CARGO CHARGE	500.00 per AWB	
7	AIR WAYBILL AMENDMENT CHARGE	100.00 per AWB	
8	WEIGHT / VOLUME MIS-DECLARATION CHARGE		
a)	2-5% variation	2 times applicable TSP charge	
b)	More than 5% variation	5 times applicable TSP charge	
9	OVERTIME CHARGE (beyond customs working hours)	50.00 per Shipping Bill	
	VAL cargo	1000.00 per AWB	
IMPORT CARGO			
1	TERMINAL, STORAGE AND PROCESSING CHARGE [TSP] - (per Bill of Entry)		
a)	General cargo/Unaccompanied Baggage	125.00	5.15
b)	Special cargo (AV)	250.00	10.29
c)	PER/DGR/VAL cargo	250.00	10.29
2	CUSTOMS CARGO SERVICE PROVIDER CHARGE [CCSP] - (per HAWB)	25.00	1.85
3	DEMURRAGE / STORAGE CHARGE (rate per kg per 24 hours)		
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	1.58
iii)	Cargo cleared between 120 hours and 720 hours	336.00	2.94
iv)	Cargo cleared after 720 hours	336.00	4.63
b	Special cargo (AV)		
i)	Flight Actual Time of Arrival (ATA) plus 72 hours	No charge	No charge
ii)	Cargo cleared between 72 hours and 120 hours	625.00	2.94
iii)	Cargo cleared between 120 hours and 720 hours	625.00	5.88
iv)	Cargo cleared after 720 hours	625.00	8.82
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	1275.00	5.88
iii)	Cargo cleared between 120 hours and 720 hours	1275.00	11.81
iv)	Cargo cleared after 720 hours	1275.00	17.69
4	COURIER HANDLING CHARGE	200.00	5.78
5	AIR WAYBILL AMENDMENT CHARGE	100 per AWB	
6	TRANSHIPMENT CHARGE		
a	General cargo	125.00	1.89
b	PER/DGR/VAL/AV cargo	235.00	1.89
	Documentation Charges	100.00 per AWB	
7	OVERTIME CHARGE (beyond customs working hours)		
a	General cargo	200.00 Per Bill Of Entry	
b	VAL cargo	1000.00 per AWB	
8	PACKING/REPACKING/STRAPPING CHARGE	5.00 per carton	

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) 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 or 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.

Form F14 (b) - Annual Tariff Proposal for Tariff Year 3

PUBLISHED RATES TO BE PAID BY FREIGHT FORWARDER FOR DOMESTIC CARGO:

EFFECTIVE 1 APRIL 2013

S.N.	LIST OF CHARGES	FY 2013-14	
		MINIMUM RATE In INR	RATE PER KG In INR
B) 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	2.15
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 WAYBILL 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 WAYBILL AMENDMENT CHARGE	100 per AWB	
5	PACKING/REPACKING/STRAPPING CHARGE	5.00 per carton	

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) 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 n 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.

Form F14 (b) - Annual Tariff Proposal for Tariff Year 3

MAXIMUM RATES TO BE PAID BY AIRLINES FOR CARGO HANDLING: EFFECTIVE 1 APRIL 2013

SL No	Description of Service	Unit	FY 2013-14 Tariff Year 3
A) INTERNATIONAL CARGO			
EXPORT CARGO			
1	Handling Charges		
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per kg	1.89
1.1.2	Bulk Cargo	Per kg	1.22
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per kg	3.78
1.2.2	Bulk Cargo	Per kg	2.31
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per kg	4.73
1.3.2	Bulk Cargo	Per kg	2.89
2	Storage Charges		
2.1	General Export Cargo	Per kg	1.79
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per kg	4.31
3	Electronic Data Submission For Customs	Per flight	135.00
IMPORT CARGO			
1	Handling Charges	Per kg	
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per kg	1.89
1.1.2	Bulk Cargo	Per kg	1.22
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per kg	3.78
1.2.2	Bulk Cargo	Per kg	2.31
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per kg	4.73
1.3.2	Bulk Cargo	Per kg	2.89
2	Storage Charges		
2.1	General Cargo	Per kg	1.79
2.1.1	Subject to a minimum of	Per IGM	241.50
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per kg per day or part thereof	4.31
2.2.1	Subject to a minimum of	Per AWB per day or part thereof	241.50
3	Electronic Data Submission For Customs	Per flight	135.00
TRANSHIPMENT CARGO			
1	Carting charges for transshipment of Import / export cargo	Per kg per day or part thereof	2.10
1.1	Subject to minimum of	Per AWB per day or part thereof	168.00
X-RAY SCREENING EXPORT CARGO			
1	X-Ray charges with Certification	Per kg	2.21
1.1	Subject to minimum of	Per consignment	105.00

SL No	Description of Service	Unit	FY 2013-14 Tariff Year 3
B) DOMESTIC CARGO			
OUTBOUND CARGO			
1	Handling Charges		
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per kg	1.89
1.1.2	Bulk Cargo	Per kg	1.16
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per kg	3.78
1.2.2	Bulk Cargo	Per kg	2.31
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per kg	4.73
1.3.2	Bulk Cargo	Per kg	2.89
2	Storage Charges		
2.1	General Export Cargo	Per kg	1.79
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per kg	4.31
INBOUND CARGO			
1	Handling Charges		
1.1	General Cargo		
1.1.1	Palletisation / Containerisation	Per kg	1.89
1.1.2	Bulk Cargo	Per kg	1.16
1.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.		
1.2.1	Palletisation / Containerisation	Per kg	3.78
1.2.2	Bulk Cargo	Per kg	2.31
1.3	Express & Courier Cargo		
1.3.1	Palletisation / Containerisation	Per kg	4.73
1.3.2	Bulk Cargo	Per kg	2.89
2	Storage Charges		
2.1	General Cargo	Per kg	1.79
2.1.1	Subject to a minimum of	Per IGM	241.50
2.2	Valuable Perishable, Hazardous Cargo & Live Animal etc.	Per kg per day or part thereof	4.31
2.2.1	Subject to a minimum of	Per AWB per day or part thereof	241.50
X-RAY SCREENING OUTBOUND CARGO			
1	X-Ray charges with Certification	Per kg	2.21
1.1	Subject to minimum of	Per consignment	105.00

Notes:

- 1) To achieve the projected ARR only maximum cargo handling rates have been suggested for Airlines as user agreements will be entered into with each Airline based on the IATA AHM 810 STANDARD GROUND HANDLING AGREEMENT 2004 or 2008 (SGHA).
- 2) 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.
- 3) All charges mentioned above exclude taxes which will be charged at the prevailing rates.
- 4) No outside labor will be allowed to handle cargo in Air India SATS Airfreight Terminal.

8 March 2013

Capt. Kapil Chaudhary
Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Block
Safdarjung Airport, New Delhi – 110 003

Dear Madam,

Sub: Submission of Annual Tariff Plan for the 3rd Tariff Year (FY2013-14) for Cargo Handling at Bangaluru International Airport

Please find attached the Annual Tariff Plan for the 3rd Tariff Year (FY2013-14) for Cargo Handling at Bangaluru International Airport for your kind perusal.

We trust that you will find the details in line with the AERA guidelines and requirements.

Thanking you.

For Air India SATS Airport Services Private Limited


Nilang Shah
Manager Marketing

Air India SATS Airport Services Private Limited

Correspondence Address:

A-301, Business Square, Andheri – Kurla Road, Chakala, Andheri (East), Mumbai 400069, India

**SUBMISSION OF ANNUAL TARIFF PLAN
TO
AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
BY
M/S AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED**

**FOR
CARGO HANDLING
AT
BENGALURU INTERNATIONAL AIRPORT
DATED: 08 MARCH 2013**



AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

Corporate Office Address: Solitaire Corporate Park, Building No. 3, Unit No. II, 7th Floor, Guru Hargovindji
Marg, Andheri (East), Mumbai- 400 093

BEFORE THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA
AT NEW DELHI

SUBMISSION OF PROPOSAL FOR DETERMINATION OF ANNUAL TARIFF FOR AND ON BEHALF
OF:
M/S AIR INDIA SATS AIRPORT SERVICES PRIVATE LIMITED

I, Sanjay Gupta, aged 40 years resident of Republic of India acting in my official capacity as Chief Financial Officer in M/S Air India SATS Airport Services Private Limited having its registered office at Airlines House, 113 Guru Rakabganj Road, New Delhi 110001 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/S Air India SATS Airport Services Private Limited in the matter of making this submission before the Airports Economic Regulatory Authority of India, New Delhi ('the Authority')
2. I am competent to make this submission before the Authority;
3. I am making this submission in my official capacity and the facts stated herein are based on official records;
4. The contents of this submission which include inter alia
 - (i) Proposed detailed break-up of Tariff(s) based in clause 1.2 where the Authority has specified a light touch approach for the duration of the Control Period, pursuant to Clause 3.2; and
 - (ii) Justifications are correct and true to my knowledge and belief and nothing material has been concealed there from.


Sanjay Gupta
Chief Financial Officer



Place: Mumbai
Date: 8 March 2013