

File No. AERA/20010/MYTP-AIS/GH/HIAL/2011-12

Consultation Paper No. 14/2012-13



Airports Economic Regulatory Authority of India

**Annual Tariff Proposal for the second tariff year
(F.Y. 2012-13) submitted by AISATS for
providing Ground Handling Services at Rajiv
Gandhi International Airport, Hyderabad**

New Delhi: 13th August, 2012

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

The Authority had considered the Multi Year Tariff Proposal (MYTP) for the first control period commencing w.e.f. 01.04.2011, and after due stakeholder consultation issued a Multi-Year Tariff Order (MYTO) No. 12/2011-12 dated 29.09.2011 ordering that:

- (i) Air India SATS, the Ground handling Service provider at Rajiv Gandhi International Airport, Hyderabad may be regulated under 'light touch' approach during the first control period of 5 years commencing 01.04.2011 and the tariff for the Ground Handling Services provided by AISATS at Rajiv Gandhi International Airport, Hyderabad, during the first tariff year 2011-12 w.e.f 1.10.2011 is determined.

2.1 **As per the clause 11.2 of the “Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Facility, Ground Handling, and Supply of fuel to the Aircraft) Guidelines 2011”, the Annual Tariff Proposal (i.e. 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.

2.2 As per the Guidelines, the ATP is required to be submitted at least 75 days prior to the start of the Tariff Year. AISATS vide letter dated 14.06.2012 submitted their second year ATP in respect of the Ground Handling facility at Rajiv Gandhi International Airport, Hyderabad.

2.3 AISATS have submitted Form-B, Form 14(a) & Form-14(b) in the manner as specified in the guidelines, but no evidence of user agreement was furnished. Vide their email dated 02.07.2012, AISATS have submitted that they have not proposed any increase in the Maximum rates to be charged to airline customers against previous year's **approved rates and the proposed rates are already approved** by the Authority last year and as such no stakeholder consultation have been conducted.

2.4 It is observed that there is no change in the tariff for the second tariff year.

3. AISATS have in Form 14(b) submitted as under:

- (i) *“To achieve the projected ARR only maximum ground 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).*
- (ii) *The rates with each airline will be negotiated based on services required from SGHA service items (usage of equipment and manpower), flight frequency, service level agreement, credit period and liability and indemnity requirement.*

(iii) The rates may be revised, where external economic/financial factors warrant a review. However, any change, will be in consultation with the relevant authorities and related stakeholders.

(iv) All charges mentioned in Form 14(b) exclude taxes which will be charged at the prevailing rates.”

4. The tariffs for first tariff year for Ground Handling Service provided by AISATS at Rajiv Gandhi International Airport, Hyderabad, as determined by Authority are placed at **Annexure-I**.

5. After careful consideration of the matter, the Authority decided to make the following proposal for stakeholder consultation:

(i) The annual tariff proposal for 2nd tariff year (i.e., 2012-13) of the current control period submitted by M/s AISATS in respect of ground handling services provided at Rajiv Gandhi International Airport, Hyderabad be tentatively decided to be approved as at **Annexure-II**.

6. In accordance with the provisions of Section 13(4) of the AERA Act 2008, 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 at Annexure – I and II above. 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 27.08.2012** at the following address:

Capt. Kapil Chaudhary
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. Bhawe
Chairperson

Form F14 (b) - Annual Tariff Proposal for Tariff Year 1

MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR COMPREHENSIVE GROUND

HANDLING:

EFFECTIVE 15TH AUGUST 2011

S/N	ICAO Code	Aircraft Types	Maximum Ground Handling Rate Per Flight in INR			
			Scheduled Passenger Aircraft		Scheduled Freighter Aircraft	
			Domestic Flight	International Flight	Domestic Flight	International Flight
1	CODE B	Single Engine Aircraft	10,000	28,000	NA	NA
2	CODE C	A318, A319, A320, A321 B717, B727, B737, BBJ, MD 81 to MD 90, DC9 TU134, TU134A, AN24, AN26, ATR 42, ATR72, F27, F28, F50, F70, F100, YAK 40, YAK 42	13,400	73,000	45,000	1,09,500
3	CODE D	A300-600, A310 B707, B727-100, B757, B767, B787-300, DC8, DC10, MD11	21,440	1,10,000	78,000	1,21,000
4	CODE E	A330-200, A330-300, A340 B747SP, B747, B777, B787-800, B787- 900 IL96	45,000	1,40,000	94,000	1,65,000
5	CODE F	A380	80,000	1,98,000	1,27,900	2,37,600

Notes:

- 1) To achieve the projected ARR only maximum ground 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), flight frequency, 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.



Form F14 (b) - Annual Tariff Proposal for Tariff Year 2

**MAXIMUM RATES TO BE PAID BY SCHEDULED AIRLINES FOR
COMPREHENSIVE GROUND HANDLING**

S/N	ICAO Code	Aircraft Types	Maximum Ground Handling Rate In INR			
			Scheduled Passenger Aircraft		Scheduled Freighter Aircraft	
			Domestic Flight	International Flight	Domestic Flight	International Flight
1	CODE B	Single Engine Aircraft	10,000	28,000	NA	NA
2	CODE C	A318, A319, A320, A321 B717, B727, B737, BBJ, MD 81 to MD 90, DC9 TU134, TU134A, AN24, AN26, ATR 42, ATR72, F27, F28, F50, F70, F100, YAK 40, YAK 42	13,400	73,000	45,000	1,09,500
3	CODE D	A300-600, A310 B707, B727-100, B757, B767, B787-300, DC8, DC10, MD11	21,440	1,10,000	78,000	1,21,000
4	CODE E	A330-200, A330-300, A340 B747SP, B747, B777, B787-800, B787-900 IL96	45,000	1,40,000	94,000	1,65,000
5	CODE F	A380	80,000	1,98,000	1,27,900	2,37,600

Notes:

- 1) To achieve the projected ARR only maximum ground 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), flight frequency, service level agreement, credit period and liability and indemnity requirement.
- 3) These rates may be revised, where external economic / financial factors warrant a review. However, any change, will be in consultation with the relevant authorities and related stakeholders.
- 4) All charges mentioned above exclude taxes which will be charged at the prevailing rates.

