

Consultation Paper No. 6/2012-13



Airports Economic Regulatory Authority of India

**Annual Tariff Proposal for the Second Tariff
year of the control period in respect of Kerala
State Industrial Enterprises Ltd. for Cargo
Services being provided at Thiruananthapuram
International Airport, Thiruananthapuram**

New Delhi: 18th June, 2012

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

The Authority had considered the Multi Year Tariff Proposal submitted by Kerala State Industrial Enterprises Limited (KSIEL) for cargo services provided at Thiruvananthapuram International Airport in respect of the 1st control period of 5 years starting w.e.f. 01.04.2011, and after due stakeholder consultation issued a Multi Year Tariff Order (MYTO) vide Order no. 4/2011-12 dated 27.07.2011, ordering that the cargo **service being rendered by KSIEL at Thiruvananthapuram International Airport is “not material” and hence the Authority will adopt a “light touch approach” for determination** of tariff for the 1st Control Period w.e.f. 1.4.2011. KSIEL was further required to submit Annual Tariff Proposal (ATP) within 75 days of issue of the Order.

2. KSIEL vide letter no. ACC/60(1)/1082 dated 11.11.2011 submitted its ATP for the first tariff year. Based on the documents submitted by KSIEL, a Consultation Paper No. 34/2011-12 for considering the first ATP of the Control Period, was issued on 24.01.2012. After careful consideration of the matter and based on stakeholder responses, the Authority decided and approved the ATP for the cargo service provided by KSIEL at Thiruvananthapuram International Airport, for the first tariff year 2011-12, w.e.f. 15.03.2012, vide its Order No. 37/2011-12 dated 14.03.2012.

3.1 **As per Clause 7.4 of the Authority’s 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]**, after issuance of the MYTO, the service provider shall submit to the Authority its ATP(s), provided that an ATP shall be submitted at least 75 days prior to the start of the Tariff Year.

3.2 As per clause A.1.8.2., of the Appendix to the Guidelines, Regulated Service(s) **deemed either ‘not material’ or ‘material but competitive’ or ‘material and not competitive’ but where the Authority is assured of the reasonableness of the existing** User Agreement(s), the Service Providers(s) shall submit, for the consideration of the Authority, an Annual Tariff Proposal for review of Tariff(s) to be charged in the following Tariff Year on a Control Period, in the specified Form B and Form F14 (b). The Tariff(s), as proposed by the Service Provider in the ATP, shall be on non- discriminatory basis, with reference to conditions of Tariff(s), volume of the discount, rationale behind giving the discount and such other factors as may be relevant and shall be supported by the following:

“A1.8.2.1. Details of consultation with stakeholders along with:

- (a) Documented evidence that consultations with stakeholders have been undertaken;*
- (b) Summary of concerns raised by the stakeholders;*
- (c) Details of remedial action, if any, undertaken by the Service Provider, with reasons, in respect of the concerns so raised;*
- (d) Reasons for not addressing the balance concerns.*

A1.8.2.2. Evidence of User Agreement(s), if any, between the Service Provider(s) and the User(s) of the Regulated Service(s) clearly indicating the Tariff(s) that are proposed by the Service Provider and agreed to by User(s).”

3.3 KSIEL have vide letter no. ACC/60/(2)105 dated 19.04.2012 (**Annexure- I**) submitted that they could implement the revision in tariff for the first tariff year (2011-12) only w.e.f. 30.03.2012 and that too after allowing some deductions in rates with respect to Export Cargo Terminal charges and import cargo warehousing charges.

4.1 In respect of second tariff year proposal, the Board of Directors of M/s KSIEL have after detailed discussions felt that since the tariff applicable for the first Tariff year 2011-12 is being implemented only with effect from 30.03.2012 there is no scope for further revision with effect from 01.04.2012 and therefore the Board had authorized the Managing Director to request the Authority to allow KSIEL to continue the revised tariff for the first tariff year during the second tariff year also.

4.2 KSIEL have requested that they may be allowed to continue the same tariff notified by KSIEL for the 1st tariff year at Trivandrum Air Cargo Terminal, during 2012-13 and be exempted from submitting any fresh ATP(s) for the second tariff year.

5. The Authority carefully considered the proposal submitted by KSIEL and decided to make the following proposal for stakeholder consultation

- (i) The charges determined by the Authority vide Order No. 37/2011-12 dated 14.03.2012 in respect of Cargo services provided by M/s Kerala State Industrial Enterprises Ltd., at Thiruvananthapuram International Airport may be approved for second tariff year w.e.f 01.04.2012, or such other prospective date as the Authority may finally decide.

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 (**Annexure-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 02.07.2012** 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. Bhave
Chairperson



KERALA STATE INDUSTRIAL ENTERPRISES LTD.

(A Government of Kerala Undertaking)

St. Joseph's Press Buildings, Cotton Hill, Thiruvananthapuram-695 014, Kerala, India

Telephone : 0471-2326913, 2326947, 2324159, 2320208 (MD direct), Fax : 2334590, Website : www.ksie.net, E-mail : info@ksie.net

No. ACC/60(1) 106

19th April, 2012

The Secretary
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex
Safdarjung Airport
New Delhi-110 003.

(Attn. Sri. C. V. Deepak, OSD II)

Handwritten notes:
AEM(R)
M. Poornam
Boothke
7/5
①
04/05/12

Sir,

Sub:- Terms and Conditions for Determination of Tariff regarding Cargo Services at Thiruvananthapuram International Airport – ATP for 2nd Tariff Year – reg.

Ref:- Letter No. AERA/2010/MYTP-KSIE/TVM/C/2011-12/2697 dated 14/3/2012

Handwritten notes:
20-11/144
07/05/2012

Kind attention of the Authority is invited to the above letter advising us to file the Annual Tariff Proposal for the second Tariff Year at the earliest.

In this connection, we are to report that vide Order No.37/2011-12 dated 14/3/2012 the Authority had approved the Tariff for the cargo services provided by KSIE Ltd at Trivandrum Air Cargo Terminal, Trivandrum International Airport, for the first Tariff Year 2011-12 with effect from 15/3/2012. However, we could implement the said revision only with effect from 30/3/2012 after allowing some deductions in the rates with respect to Export Cargo Terminal charges and Import Cargo warehousing charges, from the maximum rates approved by the Authority. This was necessitated at the interference of the State Government in the wake of protests from the stakeholders. A copy of the revised tariff finally notified by the Company for the 1st tariff year, vide Notification No.ACC/60(1)/1849 dated 29/3/2012, is attached herewith.



The issue relating to submission of ATP for second Tariff Year 2012-13 was considered by the Board of Directors of the Company in their meeting held on 28/3/2012. After detailed discussion, it was felt by the Board that since the tariff applicable for the first Tariff Year 2011-12 is being implemented only with effect from 30/3/2012, there is no scope for further revision with effect from 1/4/2012 and therefore the Board had authorized the Managing Director to request the Authority to allow us to continue the revised tariff for the First Tariff Year during the second Tariff Year also.

: 2 :

Under the above circumstances, it is requested that at Trivandrum Air Cargo Terminal we may be allowed to continue the same tariff notified by the Company for the 1st Tariff Year during the year 2012-13 also and we may be exempted from submitting any fresh Annual Tariff Proposal for the second tariff year. An early approval of the Authority is solicited in the matter.

Thanking you,

Yours faithfully,
For KERALA STATE INDUSTRIAL ENTERPRISES LTD.



(FEBI VARGHESE)
MANAGING DIRECTOR

Encl: Copy of Notification.

Annexure - II

Air Cargo Complex Trivandrum KSIE Limited

Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
A	EXPORT CARGO	
I	Terminal charges	
1	Terminal charges- Perishable Cargo	Rs.0.45 per kg subject to minimum Rs. 100/- per consignment
2	Terminal charges- General Cargo	Rs.0.70 per kg subject to minimum Rs. 120/- per consignment
3	News paper	Rs. 0.45 per kg subject to minimum Rs. 100/- per consignment
4	Terminal charges-Valuable Cargo	Rs. 5/- per kg per day, subject to a minimum of Rs. 1000/- per consignment
II	Demurrage charges*	Rs. 0.50/- per kg per day beyond 36 hours subject to a minimum of Rs. 100/- per consignment
III	Export Transhipment Cargo	Rs. 0.50 per Kg for perishable and general cargo and Rs. 1/- per kg for valuable cargo, in addition to TC/ Demurrage charges
IV	X- ray Screening charges	a) Rs. 1/- per kg for perishable cargo and Rs. 1.50 per kg for general cargo wherever screening and security certification is done by the concerned Airline
V	Facilitation charge (paid by Airlines)	b. Rs. 0.20/kg
VI	Forklift Charges	As per rates fixed for import cargo
B	IMPORT CARGO	
1	Warehousing / Demurrage charges*	
i	Unaccompanied Baggage/Commercial	
	Ist Week (1 to 7 days)	1 st week – Minimum Rs. 145/- per package upto 50 kg and Rs 55/- for every additional 50 Kg or part thereof
	IIInd Week (8 to 14 days)	2 nd week – 65 paise per Kg per day from the date of arrival subject to minimum charges
	IIIrd Week (15 to 21 days)	3 rd week – 80 paise per Kg per day from the date of arrival subject to minimum charges
	IVth Week onwards (from 22 nd day onwards)	4 th week onwards – Rs 1/- per Kg per day from the date of arrival subject to minimum charges

Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
ii	Commercial Cargo	
	1 st week (1 to 7 days)	1 st week – Minimum Rs. 120/- per package upto 50 kg and Rs 45 for every additional 50 Kg or part thereof
	II nd week (8 to 14 days)	2 nd week – 65 Paise per Kg per day from the date of arrival subject to minimum charges
	III rd Week (15 to 21 days)	3 rd week – 80 paise per Kg per day from the date of arrival subject to minimum charges
	IV th Week onwards (from 22 nd day onwards)	4 th week onwards – Rs 1/- per Kg per day from the date of arrival subject to minimum charges
ii	Valuable Cargo	
	(Gold, Silver, Currency, Jewellery etc requiring locker facility)	
	1 st Week (1 to 7 days)	Rs 5/- per day subject to minimum of Rs. 1000/- per consignment
	8 th day onwards	8 th day onwards – Rs 10/- per Kg per day from the date of arrival subject to Rs 1500/- per consignment
II	Cooling Chamber charges	Rs 1.40 per Kg per day subject to minimum Rs. 250/- per day per consignment, in addition to demurrage charges as applicable
III	Refrigerator/Deep Freezer Charges	Rs. 100/- upto one week and Rs. 150/- per week or part thereof above one week per consignment, in addition to demurrage charges
IV	Charges for handling Transshipment Cargo	
1	Handling charges for out-bound TP cargo destined to CACC	Rs. 2.50 per kg
2	Charges for out-bond TP Cargo destined to other places	RS. 2.50 per kg
i	Handling charges at TACT	Rs. 2.50 per kg
ii	Storage charges per kg for maximum 3 days	Rs. 2.00 per kg
iii	Total	Rs. 4.50 per kg
iv	Charges beyond 3 days	Rs. 0.50/kg/day in addition to Rs. 4.50 as per item (iii) above
3	Handling charges for in-bound TP Cargo	Rs. 2.00/- kg
V	Forklift charges Upto 250kg	Rs.100/-
	(per piece) 251-500kg	Rs. 150/-
	501-750kg	Rs.200/-
	751-1000kg	Rs. 250/-
	Above 1000kg	Rs. 250/- + Rs. 100 for every 250 kg or

Sl No.	Tariff heading	Conditions of Tariff Maximum Rate in (INR)
		part thereof
C	Cooling Chamber charges	Rs. 1.40 per kg per day subject to minimum Rs. 250/- per day per consignment, in addition to demurrage charges as applicable
D	Refrigerator/ Deep Freezer charges	Rs. 100/- upto one week and Rs. 150/- per week of part thereof above one week per consignment, in addition to demurrage charges

* Demurrage free period shall apply as per government orders issued from time to time.