



Airports Economic Regulatory Authority of India

Annual Tariff Proposal for fourth tariff year submitted by M/s Cambata Aviation Pvt. Ltd for providing Ground Handling Services at Chennai International Airport, Chennai

New Delhi: 31st October, 2014

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

The Authority had considered the MYTP for the first control period submitted by Cambata Aviation Pvt. Ltd. (Cambata) in respect of ground handling services being provided at Chennai International Airport (CIA), Chennai. After due stakeholder Consultation (vide Consultation Paper No. 18/2011-12 dated 26.09.2011), the Authority had issued Multi-Year Tariff Order (MYTO) No. 31/2011-12 dated 05.12.2011 considering the proposal under “Light Touch Approach” and had decided to “adopt light touch approach” for determination of tariff for the first control period w.e.f. 01.04.2011. Pursuant to the issue of MYTO, the Authority also issued Annual Tariff Order (ATOs) for the first three years. Order no. 18/2013-14 dated 21.06.2013 for first and second tariff years for ground handling services; and 29/2013-14 dated 25.07.2013 for third tariff years for ground handling and cargo handling services(back office functions).

2.1 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.

2.2 As per clause A.I.8.2. of the Appendix to the Guidelines, for 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 ATP for review of Tariff(s) to be charged in the following Tariff Year of the 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.

3. Cambata, vide their letters dated 20.03.2014 and 21.07.2014 submitted its ATP for the financial year 2014-15 i.e. for the fourth tariff year in respect of Ground Handling Services and Cargo Handling Services (back office functions) at Chennai airport and also submitted the following documents(**Annexure-I**):-

a. Form B- Undertaking by Operator;

b. Form F14(b)- Annual Tariff Proposal for the 4th tariff year (2014-15) for ground handling operations. The form indicates the tariff rates (inclusive of royalty) to be levied on airlines for different types of aircraft. Cambata also submitted that:

“..As per the agreement signed with all airlines our tariffs are quoted in USD and for ATP purposes the same have converted to INR at the average rate of 1 USD=INR 60”

c. Form 14(b) –Annual Tariff Proposal for the 4th tariff year (2014-15) for Cargo Services(back office functions);

d. Evidence of User Agreement –(“Standard Ground Handling Agreement

(2008) between Qatar Airway q.c.s.c (1998) which was valid upto 31.03.2010.

4. The Authority has carefully considered the ATP submitted by Cambata and has decided to make the following proposal for stakeholder consultation:

- (i) The maximum tariff(s) for the fourth tariff year (w.e.f 01.04.2014 to 31.03.2015) for ground handling services and cargo handling services (back office functions) provided by M/s Cambata Aviation Pvt. Ltd at Chennai International Airport, Chennai are proposed to be as at **Annexure II.**

5. In accordance with the provisions of Section 13(4) of the AERA Act 2008, the proposal contained in para 4 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.

6. The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in para 4 above, **latest by 14.11.2014** at the following address:

**Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi- 110003
Email: alok.shekhar@gov.in
Tel: 011-24695042
Fax: 011-24695039**

**Alok Shekhar
Secretary**



CAMBATA AVIATION PVT. LTD.

Corp. Off. : T9 & 9A, 3rd Floor, Vasant Square Mall, Vasant Kunj,
New Delhi-110070 Phone : +91-11-40000260-264

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. CAMBATA AVIATION PRIVATE LTD- CHENNAI BRANCH

I Pat Casserly aged 59 years resident of Delhi- India acting in my official capacity as Chief Operating Officer in M/s. Cambata Aviation Private Ltd having its registered office at T 9/9A, Vasant Square Mall, Vasant Kunj, New Delhi-110 070 do hereby state and affirm as under that:

1. That I am duly authorized to act for and on behalf of M/s. Cambata Aviation Private Ltd 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) Estimated Maximum Allowed Yield per unit and the proposed detailed break-up of Tariff(s) (in context to Estimated Maximum Allowed Yield per unit where determined by the Authority) where the Authority has specified a price cap approach for the duration of the Control Period, pursuant to clause 3.2:~~

OR

Proposed detailed break-up of Tariffs(s) based on clause 11.2 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.

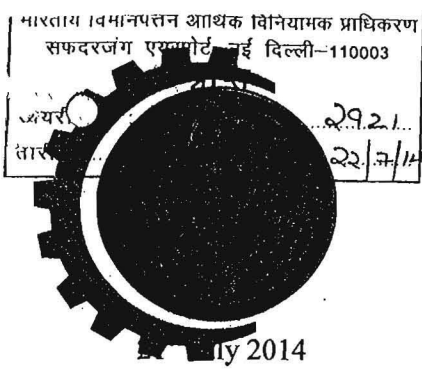
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Pat Casserly
Chief Operating Officer.

Place: New Delhi

Date: 21st March 2014

20/3/14

by



CAMBATA AVIATION PVT. LTD.

Corp. Off. : T9 & 9A, 3rd Floor, Vasant Square Mall, Vasant Kunj,
New Delhi-110070 Phone : +91-11-40000260-264

Shri C.V. Deepak
Airports Economic Regulatory Authority of India
AERA Building, Safdarjung Airport
New Delhi.

Dear Mr. Deepak,

Sub:- Annual Tariff Proposal for the year 2014-15 (Tariff Year-4) relating to Chennai Station.

Ref: Your Letter AERA/20010/MYTP/Cambata/GH/Chennai/2011-12/Vol-I/5973 dated 10th June 2014.

With reference to the above we wish to inform you that tariffs quoted by us in our ATP for the year 14-15 filed with your goodselves are for rendering GH services at Chennai Airport and wish to confirm that the GH services rendered fall within the gamut of services as described in Annexure-A of AIC No.7/2007 dated 28th September 2007 issued by DGCA in the matter of GH services.

We also wish to inform you that the tariffs quoted by us in our ATP for the year 14-15 for providing GH/Cargo Handling services are based on the contracts entered into with our customer airlines and a copy of such contract is enclosed herewith for reference. We further wish to inform you that in Chennai we currently handle only Qatar Airways. We also further wish to confirm that the actual tariffs that will be charged to the customer airlines will be either equal to or lesser than the tariffs quoted in our ATP for the year 14-15.

Thank you

Yours truly

Authorized Signatory

**STANDARD GROUND HANDLING AGREEMENT
-SIMPLIFIED PROCEDURE-**

**Annex B.3.0 – Locations(s), Agreed Services and Charges
to the IATA Standard Ground Handling Agreement (SGHA) of April 1998**

Between: **QATAR AIRWAYS q.c.s.c**
having its principal office at: **Qatar Airways Tower**
P.O. Box 22550
Doha, State of Qatar

hereinafter referred to as "The Carrier"

And: **CAMBATA AVIATION LTD.**
Hangar No 3A, Juhu Aerodrome
Mumbai 400054, India.

hereinafter referred to as "The Handling Company"

Effective from: **March 25, 2007**

This Annex B.1.0 for the location: **Anna International Airport – Chennai**

Is valid from: **March 25, 2007**

Until: **March 31, 2010**

PREAMBLE:

This Annex B.3.0 is prepared in accordance with the simplified procedure whereby the Carrier and the Handling Company agree that the terms of the Main Agreement and Annex A of the SGHA of April 1998 as published by the International Air Transport Association shall apply as if such terms were repeated here in full. By signing this Annex B, the parties confirm that they are familiar with the aforementioned Main Agreement and Annex A.



Contract No: **GSMAA0207-015**
Date: **02/24/07**

Telephone No. : 4622495 Telegraphi Address: Commercial : AIRCIVIL NEW DELHI Aeronautical : VIDDYAYX E-Mail: dri@dca.delhi.nic.in Fax 011 24629221	GOVERNMENT OF INDIA AERONAUTICAL INFORMATION SERVICES DIRECTOR GENERAL OF CIVIL AVIATION OPPOSITE SAFDARJUNG AIRPORT <u>NEW DELHI-110003</u>	Sl. No. 7/2007 28 th September, 2007
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File No. 9/1/2002-IR

The following circular is issued for information, guidance and compliance:



(Kanu Gohain)

Director General of Civil Aviation

**GRANT OF PERMISSION FOR PROVIDING GROUND HANDLING
SERVICES AT AIRPORTS OTHER THAN THOSE BELONGING
TO THE AIRPORTS AUTHORITY OF INDIA**

1. Introduction

1.1. "Ground handling" means:

- (i) ramp handling which shall include the activities specified in Annexure 'A';
- (ii) traffic handling which shall include the activities as specified in Annexure 'B'; and
- (iii) any other activity specified by the Central Government to be a part of either ramp handling or traffic handling.

1.2. In accordance with the Airports Authority of India (General Management, Entry for Ground Handling Services) Regulations, 2000, an airline operator may carry out ground handling services at an airport either by itself or engage the services of any of the following, namely:-

- (i) Airports Authority of India;
- (ii) Air India or Indian Airlines; and
- (iii) Any other agency licensed by the Airports Authority of India.

1.3. The Airports Authority of India (General Management, Entry for Ground Handling Services) Regulations, 2000, have been made under Section 42 of the Airports Authority of India Act, 1994 and thus are applicable to the airports managed by the Airports Authority of India. With the restructuring of certain airports and development of a few Greenfield airports in the private sector, it has become imperative for the Central Government to lay down the eligibility criteria for various agencies to undertake ground handling services at non-AAI airports. **The number of such agencies to be permitted at each airport is also to be determined by the Government having regard to all the relevant factors such as demand for such services, available infrastructure and competitive environment, without compromising the safety and security aspects.**

1.4. Rule 92 of the Aircraft Rules, 1937 provides that the licensed public aerodromes shall, while providing ground handling services themselves, ensure a competitive environment and allow the ground handling service providers permitted by the Central Government to provide ground handling services at such aerodromes without any restriction. **These ground handling service providers shall, however, be subject to security clearance of the Central Government. As such, it is for the Central Government to decide the agencies who can provide ground handling services at various aerodromes and also the eligibility criteria for such service providers.**

2. Eligibility Criteria for Ground Handling Service Providers

While the Airports Authority of India would promulgate the necessary regulations, with the previous approval of the Central Government, under the Airports Authority of India Act, 1994, with respect to provision of ground handling services at the airports under their control, it has been decided by the Central Government that with immediate effect, the following entities shall be eligible to undertake ground handling services at airports other than those belonging to the Airports Authority of India:-

(A) All Metropolitan Airports, i.e. the airports located at Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad

- (i) The airport operator itself or its Joint Venture (JV) partner;
- (ii) Subsidiary companies of the national carrier i.e. National Aviation Company of India Ltd. or their joint ventures specialized in ground handling services. Third party handling may also be permitted to these subsidiaries or their JVs on the basis of revenue sharing with airport operator subject to satisfactory observance of performance standards as may be mutually acceptable to the airport operator and these companies; and
- (iii) Any other ground handling service providers selected through competitive bidding on revenue sharing basis by the airport operator subject to security clearance by the Government and observance of performance standards as may be laid down by the airport operator.

Note.- *A minimum of two ground handling service providers shall be authorized at these airports in addition to the subsidiaries of National Aviation Company of India Ltd.*

RAMP HANDLING

- 1. Aircraft Handling**
 - 1.1 Attendance
 - 1.2 Marshalling
 - 1.3 Parking
 - 1.4 Starting
 - 1.5 Safety Measures
 - 1.6 Mooring of Aircraft
- 2. Aircraft Servicing**
 - 2.1 Liaison for Fuelling and Defuelling
 - 2.2 Liaison with suppliers for replenishing of oil and other fluids
 - 2.3 Cabin Equipment
 - 2.4 Routine and Non-Routine services
 - 2.5 Cooling and heating
- 3. Aircraft Cleaning**
 - 3.1 Exterior Cleaning
 - 3.2 Interior Cleaning
 - 3.3 Toilet service
 - 3.4 Water services
- 4. Loading and Unloading**
 - 4.1 Loading and unloading of passenger baggage
 - 4.2 Transhipment of passenger baggage
 - 4.3 Operation of loading/unloading equipment
 - 4.4 Positioning and removing of passenger stairs/bridges
 - 4.5 Emplane/deplane passengers
 - 4.6 Break/make-up of baggages
 - 4.7 Bussing of passengers/crew
 - 4.8 Bulk loading/unloading of baggage

5. Cargo Handling Services

- 5.1 Loading, off-loading and transshipment of cargo on/from the aircraft
- 5.2 Mail handling services
- 5.3 Operate/provide/arrange essential equipments for handling of cargo
- 5.4 Transshipment of cargo
- 5.5 Palletisation/containerization of cargo
- 5.6 Break-up/make-up of cargo container/unit load device
- 5.7 Bulk loading/unloading

6. Security

- 6.1 Watch and ward of registered baggage/cargo/aircraft and handling equipment
- 6.2 Aircraft security/inspection in transit
- 6.3 Security/surveillance for ladders point check
- 6.4 Security for catering items

TRAFFIC HANDLING

1. Terminal Services

- 1.1 Handling documents and load control
- 1.2 Passengers and baggage handling at the airport terminals
- 1.3 Cargo handling services at the airport terminals
- 1.4 Mail handling services at the airport terminal
- 1.5 Traffic services at the airport terminals including passenger check-in

2. Flight Operations

- 2.1 INFORM THE CARRIER OF ANY KNOWN PROJECT AFFECTING THE OPERATIONAL SERVICES AND FACILITIES MADE AVAILABLE TO ITS AIRCRAFT IN THE AREAS OF RESPONSIBILITY
- 2.2 Flight preparation at the airport of departure
- 2.3 Flight preparation at a point different from the airport of departure
- 2.4 In-flight assistance
- 2.5 Post flight activities
- 2.6 In-flight re-dispatch
- 2.7 Communication system associated with Ground Handling
- 2.8 Material handling

3. Surface Transport

- 3.1 Arrangements for the transportation of passengers/baggages and cargo between separate terminals at the same airport
- 3.2 Arrangements for passengers/crew transport together with their baggage between Airport and city or other agreed points

4. Representational Services

- 4.1 Liaison with local authorities
- 4.2 Information to interested parties, movement of the carrier aircraft
- 4.3 Disbursement of payment on behalf of the carriers at all airports
- 4.4 Supervision and administration services

ANNEXURE-II

CAMBATA AVIATION PVT LTD

CHENNAI

GROUND HANDLING OPERATIONS

Form F14 (b) - Annual Tariff Proposal for Tariff Year-4 (2014-15)

Aircraft Type	Tariff Per Turnaround-Flt. US\$	Tariff Per Turnaround Per INR.	Applicable Discount/Surcharge	Airport Royalty
A330	1500	90,000	N/A	Inclusive
B777-F	1750	105,000	N/A	Inclusive
A300-F	1500	90,000	N/A	Inclusive
B747-F	1300	78,000	N/A	Inclusive

Notes:

1. Please note that as per the agreement signed with all airlines our tariffs are quoted in USD and for ATP purposes the same have been converted to INR at the average rate of 1USD= INR 60



CAMBATA AVIATION PVT LTD

CHENNAI

CARGO SERVICES

Form F14 (b) - Annual Tariff Proposal for Tariff Year-4 (2014-15)	
A/c Type	Delivery Order
	Fees per MAWB
A330	Rs.1,000
B777 / A300	Rs.1350

