EICI/AERA/114

9 November, 2021

To,
Director (P&S),
Airports Economic Regulatory Authority of India (AERA),
AERA Administrative Complex,
Safdarjung Airports,
New Delhi – 110002, India

Sub: EICI submissions :

1) **Response to Comments of M/s. Spice Jet Limited dated 29.10.2021 on Consultation Paper No. 20/2021-22 dated 08.10.2021 and**
2) **Additional Comments on Consultation Paper No. 20/2021-22 dated 08.10.2021 in the matter of determination of tariff for Courier Cargo Handling Charges for M/s Express Industry Council of India (EICI), IGI Airport, Delhi for the Third Control Period (01.04.2021 to 31.03.2026).**

Ref: 1. Consultation Paper No. 20/2021-22 dated 08.10.2021

2. Our comments to CP dtd 29 October, 2021

3. Comments received by the Authority to CP from M/s. Spice Jet Limited communicated vide email dtd 29 October, 2021

Dear Sir,

This is with reference to Consultation Paper No. 20/2021-22 issued by your office on 08.10.2021 for determination of tariff for Courier Cargo Handling Charges for M/s Express Industry Council of India (EICI) at IGI Airport, Delhi hereinafter referred to as "**Consultation Paper**" and Comments received from M/s. Spice Jet Limited dated 29.10.2021.

We are submitting the following comments:

A. Reply to comments received from Stakeholders
B. Additional Comments explaining how the changes proposed by the Authority in the CP workings have errors and will lead to an incorrect tariff determination and threaten the viability of our operations
C. Summary of the key factors to be considered while determining the Tariff.

A. **EICI Response to Comments from M/s. SpiceJet Limited dated 29.10.2021 on Consultation Paper No.20/2021-22 dated 8 October 2021 on determination of tariff for Cargo Handling Services in respect of EICI at IGI Airport, Delhi**

1) **Letter mentions on first page, last para that *"as per industry estimates by IATA and CAPA, it will take almost two – three years for airline operations to reach pre COVID-19 level, in terms of number of flights and passengers."***

We agree with the observations of Spice Jet that there has been a slow down in volumes which are also reflected in the EICI projections of volume for the control period. The above-mentioned study confirms EICI's stand on slow volume recovery which would require higher tariff rates in order to run the Express Terminal at Delhi in a commercially viable manner with a small profit. Hence we had accordingly suggested higher tariffs for approval.

We also agree with the Spice Jet submissions that the Covid 19 Pandemic has affected the cargo industry adversely. While the Airlines have been more fortunate and Spice Jet has been able to already attain 70 % pre-Covid levels, unfortunately for EICI the volumes are abysmally low due to a variety of factors including Covid 19 and EICI has been making losses over the past two years i.e. a loss of Rs 3.37 crores and Rs 5.89 crores in the Financial Years 2019-20 and 2020-21 respectively. This threatens the viability of EICI operations and if a substantial tariff increase is not granted then a low tariff itself will ensure that EICI operations become unviable and will be forced to shut down as has happened in Mumbai.

2) **Letter also mentions on second page first para- *"……..airline continue to incur high operational cost, including on account of high airport charges and taxes"*.**

We agree with SpiceJet that the fact that Airport charges and taxes including rentals are high, which adversely impacts profitability of all stakeholders including EICI. It hence becomes imperative that the Authority control and reduce the costs, charges and rentals imposed by the Airport Operator who has the concession for the airport, as this has a trickle-down impact leading to incremental operational costs till the end user.

While the Authority has during the pandemic period retained the old tariffs without increasing the same for other service providers at the airport, however in the case of EICI, it becomes imperative to point out that the tariff for EICI at Delhi has not been increased since the original Tariff from 2013-14, which has been continuing for the past 8 years. Hence in effect EICI has been subject to same tariff whereas the airport rentals and other charges imposed have been permitted to be increased periodically by the Authority leading to EICI ending up in losses in the last two Financial Years. While in the earlier period, the large volumes assisted EICI in sustaining its operations at Delhi, the pandemic has led to a huge drop in volumes making it commercially unviable to sustain operations any longer without the tariff increase requested.

It hence becomes imperative that the Authority not only controls but issues necessary directions to reduce the rental hikes with immediate effect in order for EICI to also reduce its operational costs.

3) Point 1- Review of Tendering Process

M/s Spice Jet has indicated that License Agreement should be for a short term and should not exceed five years. The rationale suggested for reducing the Lease Agreement period appears to be the following:

1. To avoid monopolies;
2. It provides services which are best in class; and
3. They are the most competitive i.e. at the least price.

While it is appreciated that the services should be provided at the best possible price and not at inflated rates, however, there appears to be contradiction in the observations of M/s. Spice Jet as it also wants best in class services which requires investments and upgrade of infrastructure which cannot be done in a short term lease. At the same time we agree with the observations of M/s. Spice Jet that awarding contracts to the highest revenue share provider should be discouraged as it breeds inefficiency which in turn disproportionately increases the cost without any value addition by the Airport operator.

We disagree with the suggestion of M/s Spice Jet to have short term agreements and not long term agreements. In long term agreements surety of tenure encourages long term investments in development of infrastructure for which the returns can be received over a long term period. At the same time when piece-meal License Agreements are issued for two years or three years or five years, there is no incentive for the Terminal Operator to make long term investments due to lack of security of tenure. Hence, while what M/s. Spice Jet has suggested in terms of ensuring proper and best-in-class services, the same would only be possible if there are long term Lease Agreements. As an airline M/s. Spice Jet would know that in case it had a short term permission for ground handling or for an operating permit for two years and without any surety whether it would be extended or not or whether it would be again issued to the highest bidder, then M/s. Spice Jet would not be investing in infrastructure such as purchase of aircraft or ground handling equipment. Hence surety of tenure is of primary importance to ensure healthy growth and development of infrastructure in the aviation sector. Hence, to that extent we disagree with the observations of M/s. Spice Jet that bidding should be based on services and infrastructure to be provided and not highest revenue margins or royalties.

At the same time we agree with the observations of M/s. Spice Jet with respect to the need to ensure that the receiver of services which are the citizens are not unnecessarily burdened with high costs. This is so as express services or courier services are ultimately used by the citizens, who are the users. They are provided with these express services by integrated operators who make use of the processing facilities at the Express Terminal as well as the transportation services provided by airlines. Hence, courier costs are a sum total of the two costs of transportation and processing charges. We agree that the terminal operator should not be burdened with high costs which are ultimately passed on to the citizens through airlines or the courier companies. The elements of these high costs are high license fees, royalty charges etc. In fact one of the key reasons for closure of operations of EICI in Mumbai was on account of the high royalty and rental costs. EICI made several appeals to the Authority however nothing was done and as a result EICI had to close operations at the Mumbai Courier Terminal. It is a known fact that after EICI closed operations, the Express Companies faced several challenges at Mumbai as far as express operations are concerned. Hence, to that extent we agree that an airport operator should not charge any royalty which unnecessarily drives up the costs. There is no value addition provided in view of the royalty. However, as far as the length of the License Agreement is concerned the License Agreement should be on a long-term basis or else it will lead to no development of airport infrastructure.

4) Point 2- Deferment of Capital Expenditure- Regulatory Asset base

Airline has mentioned in para three- *" Stoppage of non-safety related capital expenditure….. in case EICI wants to make capital expenditure, then it should be at no additional expense to the Airline….."*

We need to highlight that proposed CAPEX are not for new additional capacity but for the efficient smooth running of the existing operations of the Express Terminal. EICI has been mindful of incurring CAPEX and has been using assets beyond its useful life, as long as assets are working and fulfilling the desired purpose to cut expenses.

This comment of M/s. Spice Jet is clearly contradictory as on the one hand they have asked for best-in-class services and at the same time they do not want the infrastructure to be renovated or maintained.

The expenditure has to be viewed in context as to whether it is necessary or unnecessary expenditure. Expenditure required to maintain operations is critical expenditure and not expenditure that can be put off or avoided as it will affect service. The expenditure of Rs 57.20 lakhs that the authority wishes to disallow is required to be incurred in the FY 2024-25 and 7.20 lakhs in FY 2025-26. We may analyze the importance of castor decks and computers to conclude whether these constitute infrastructure that is of a critical nature for an Express Terminal or something that can be avoided.

Castor decks are decks on which ULDs and containers can be moved around quickly instead of moving heavy containers on the ground physically. Castor decks are a critical component of any Express Terminal as they permit containers to slide rather than their entire load be physically pushed as the decks act as the wheels of the heavy containers and ULDs. This ensure that containers are stuffed and moved quickly and similarly import containers can be quickly de-stuffed and moved out. All airlines require a quick turnaround time hence it is odd that an airline should be suggesting that we do not invest in maintaining castor decks as it is critical infrastructure which ensures a quick movement and turnaround of containers. It is akin to suggesting that wheels are not necessary and we should push containers physically. Clearly this would not help in providing best-in class services that are expected from EICI.

The second suggestion to not spend money on maintaining computer systems in today's age of digital India is highly preposterous. Computers are not a luxury but a necessity and Covid 19 pandemic has underscored this need in good measure. The entire consultation process that this submission is a part of is based on IT infrastructure and computers.

One can imagine what would happen if the computers do not work in a normal office let alone a critical sector like Aviation. Imagine if an airline's computers malfunction and their Central Reservation system collapses for a few hours let alone days as is being suggested by not permitting upgradation of computer infrastructure which is the backbone of EICI Terminal operations for processing express cargo and the entire document chain in the customs clearance process. The question to be analyzed is can an Express Terminal run if its computers do not work. The answer is a resounding No as no shipments can be accepted without a gate pass which is issued by a computer, the entry is done on a computer, the location is based on a computer, the identity i.e. the AWB No, the Shipping Bill No, weight and other details of the shipments are all stored on a computer.

Computers are the driving force of the Express Terminal and if the computers do not function properly or get hung the entire system would be impacted leading to delays. It is similar to central reservation system which M/s. Spice Jet would be having and they can imagine the fallout in case their computer system gets hung.

The capital expenditure proposed by EICI is to ensure that operations at the Express Terminal do not suffer, clearly that is not the object of the airline.

5) Point 3- Independent Expert Study

We have no comments as the issue is directed to the Authority, however it will be good if AERA does its own assessment and study with respect to projections of cargo volume growth.

6) Point 4- Abolishment of Royalty Charges/ Concession Fee

IN para two it is mentioned, *".... These charges are passed on the airlines by the service providers. ....."*

As a generic and general comment we agree that royalty increases costs without any benefit to end-users and royalty should be abolished if costs to end-users have to be brought down. The Authority is requested to implement this request in general though this has no impact on the current Tariff proposal.

7) Point 5- Operational Expenditure- Drastic Cost Cutting

EICI has taken all possible steps to cut costs as mentioned in the M/s. SpiceJet letter. EICI is mindful of the fact that any reduction in operational cost in the present turbulent time will benefit the Company only as it is attempting to make its operations commercially viable.

As far as operational costs are concerned there are two aspects, i.e. costs which are within the control of EICI and costs which are not in the control or hand of EICI and for which the Authority or other agencies can help control costs.

Costs cut where possible and in control of EICI

As far as costs which are in the control of EICI are concerned, the following measures have been taken to cut costs:

(a) Salaries of senior staff has been cut by 20% to 25%
(b) Land not required due to reduced operations has been given up to cut lease costs
(c) All vendor agreements were re-negotiated and where ever possible were reduced
(d) Employee night allowance was discontinued
(e) All operational expenses were reviewed in detail and where ever possible the expenses were curtailed or cut down

The above led to substantial reduction in costs in the last year. However being an Express Terminal which has to be run on a 24X7 operation, we cannot lay off staff.

<u>Costs outside control of EICI</u>

Airport rentals amount to 40% of the operational costs of EICI at Delhi and over which it has no control. These rentals increase by 10% every year and leave little room to cut costs elsewhere despite the best efforts of EICI.

Reducing or cutting these rentals are not in the hands of EICI and we request the Authority that it should either exercise the powers vested in them to reduce the Airport rentals or permit the Tariffs proposed without any cuts to ensure that the operation remains viable.

M/s. SpiceJet has recommended to put on hold any increase in operational expenditure by EICI wherein it seems not to consider practical aspect of the cost, like Airport rentals, etc Clearly EICI has no power or authority to control Airport rentals which are increased every year by 7.5% / 10% and hence we look to the Authority for relief.

Further Delhi Government has been increasing wages under Minimum Wages Act, 1948 every six months. A considerable large part of the wages pertains to such employees which constitutes 57% of the payroll costs. This is yet another expense which EICI has no control over. EICI has to follow the Government labour laws and cannot violate them.

SpiceJet has suggested that EICI should be advised to reduce its cost by at least 35% and no escalation should be permitted. This comment is uncalled for and without any basis and we request the Authority to see what relief can be given in terms of reduction in lease rentals and costs beyond the control of EICI.

8) Point 5(i)

Payroll costs

EICI has been a professionally run company mindful of cost incurred. EICI does not have any holding company or group to fund losses, if incurred. So, it's in the interest of EICI to run operations in profit either by increasing revenue in permissible way or by reducing costs.

EICI salary structure has been kept on lower side as compared to similarly placed companies which is challenging as it is also required to retain talent for its operations. During COVID19 times, EICI had taken immediate measures on cost rationalization which included various measures such as reduction of employee remuneration. Due to these measures, employee salary costs had reduced from Rs.348.74 lakhs in FY 2019-20 to Rs.310.96 lakhs in FY 2020-21, i.e., reduction of 10.83% which was based on higher salary cuts for senior staff as the salaries of employees with minimum wages could not be cut due to Government regulations.

However, in order to retain trained resources, EICI has no option but to offer some basic salary increase in FY 2021-22. On comparing employee cost of FY 2019-20 and FY 2021-22, the increase in employee payroll related cost is 9.20%, which is over a period of two years or an average of 4.6% per year which is the minimum required to retain talent.

It may be noted that EICI has also had to face an increase in apportioned cost for Delhi operations without any increase in salary of senior employees due to closure of Mumbai Terminal. The salaries of these employees was earlier apportioned between Delhi, Mumbai and Bangalore, however with the closure of the Mumbai Express Terminal, their salaries are now apportioned between Delhi and Bangalore. Hence the higher cost is not on account of any additional staff or increase in salary but a higher apportioned cost due to the closure of the Mumbai Terminal.

9) Point 6- Profitability Return on Revenue

While M/s Spice Jet has assumed that EICI is making huge profits, we wish to submit that the profits for the past two years before tax for Delhi are as under:

Year	Profit/Loss before tax
FY-2019-2020	-3,37,95,777
FY2020-2021	-5,89,68,221

Hence it will be seen that over the last 2 years EICI has been making losses which cannot be sustained any longer. EICI also has to be compensated for these losses.

M/s SpicJet seems to have confused projected loss / profit shown in CP by both EICI and the Authority. There is vast difference between projections made and assured outcome. There is no assured profit mentioned for EICI in the CP. The Authority has worked out ARR basis assumptions that does not mean that profits are assured. It is also pertinent to mention that profits have been projected by excluding various input costs of EICI and also assuming certain revenues on a higher side which may not accrue and if these are included EICI will actually make a loss with the Tariff proposed by the Authority. It was for this reason that we had suggested a sliding scale for the Tariff which would self adjust based on the volume.

SpiceJet has also mentioned allowing profit margin of 3% (bank fixed deposit rate), which is an irrational suggestion and should be ignored. If an enterprise has to earn return of fixed deposit rate, then it would be better for it to invest capital in bank fixed deposit rather than get into commercial venture. It is also pertinent to point out that EICI does not get any loan facility as it is a Section 8 company.

10) **Point 7 – Tariff Order**

It appears that M/s. Spice Jet has not taken into consideration the fact that EICI has been subject to the original Tariff from 2013-14 which has been continuing for the past 8 years. Hence there is an urgent need to approve the revised tariff keeping this long gap in mind. Further the losses incurred by EICI over the past year also has to be compensated and with admittedly low cargo volumes there is no possibility of recovering the loss unless a higher tariff is approved. Hence the profit margin is not truly reflective of the actual profit as the losses for the last year also have to be taken into account.

B. Additional Comments on Consultation Paper No. 20/2021-22 dated 08.10.2021 in the matter of determination of tariff for Courier Cargo Handling Charges for M/s Express Industry Council of India (EICI), IGI Airport, Delhi for the Third Control Period (01.04.2021 to 31.03.2026).

We thank the Authority for issuing the Consultation Paper and as it will be noted from the Background note of the Consultation Paper itself in para 1.2 the original Tariff from 2013-14 has been continuing for the past 8 years and hence there is an urgent need to approve the revised tariff keeping this long gap in mind. It is obvious that if the Tariff is revised after 8 years then the increase will have to be substantial in order to ensure that the operations remain commercially viable and cannot be an increase by a mere 3% to 13% after 8 years.

It is pertinent to point out that this is an existential crisis for EICI as a similar view was taken by the Authority with respect to the Mumbai MYTP proposal and as a result the operation became unviable and we had to stop operations at Mumbai last year. Ironically even though in the tariff charged by us, a substantial component of the operational cost included royalties and License Fee, the operation is now run by the Airport Operator who does not have to pay these charges, however there is no commensurate reduction in tariff by the Authority and it continues to remain the same. Hence the stand of the Authority has ensured that a not for profit Industry body has gone out of business, however there has been no commensurate reduction in tariff and hence it is not clear as to who has stood to benefit in this entire exercise as there is no reduction in tariff at the end of the day for the end user.

We do hope the Authority will ensure that this mistake is not repeated in the case of Delhi as ensuring operations remain commercially viable is also a statutory responsibility of the Authority. Clearly there would be no investment in infrastructure at the airports if the operations are rendered commercially unviable based on unviable Tariffs decided by the Authority.

We wish to most humbly submit at the outset that the Consultation Paper proposes certain Tariffs based on incorrect and inaccurate assumptions and also arithmetical mistakes which leads to incorrect calculations on the basis of which the proposed Tariff has been calculated which hence needs to be rectified.

Additional Comments to the Consultation Paper are as under:-

1. **Change in stand with respect to materiality and competition assessment based on incorrect assumption of facts:**

   While in the past it has been held that the operations of EICI are material but competitive, it has now been held that they are material but not-competitive.

   The relevant observations from the Order is as below:

   "2.1.2 The Authority notes that Tariff for the 1 st & 2nd Control Period was determined by the Authority under **"light touch method" considering the service as "Material and Competitive."**

   Hence it was agreed to apply light touch method before.

   "2.1.3 However, the Authority notes that in the Common User Terminal, the services relating to Courier/Express Cargo are provided only by EICI. Other service providers like UPS, DHL, Fedex, are doing "self-handling" in their own dedicated terminals. **<u>The Authority, therefore, proposes to consider the service as "Material and not Competitive." Considering that the User Agreements are between the Entity and its members who are the majority of the users</u>**

<u>of the service, and, in the absence of a structured agreement for the same, the Authority proposes to determine tariff under "Price Cap" mechanism."</u>

Authority has mentioned that user agreements are between EICI and its members who are the majority of the users of the service, and in the absence of the structured agreement for the same, Authority proposes to determine tariff under "Price Cap" method.

This is incorrect as volume handled by EICI for non-members is almost 82% and hence higher than volume handled for members which 18% and which is evident from below summary table.

Particulars		**FY 2019-20**	**FY 2020-21**
% volume handled for members		27.53	18.10
% volume handled for non-members		72.47	81.90
		100.00	100.00

Action requested: Please continue with light touch approach. Having said that it is most humbly submitted that EICI appears to have been singled out for heavy handed treatment even in the past. It is perhaps one of the only ISPs which was subject to a detailed audit by AERA, which is not done even where there is no competition.

2. Clause 2.2.1

AERA has changed tariff determination principle from "Light Touch approach" to "Price Cap approach" in spite of EICI giving supporting as regard competition, user agreements, consultation meeting etc.

Action requested: Please continue with light touch approach.

3. Clause 3.1.8

EICI had given working for deriving sliding scale volume base tariff rate which is not considered by AERA by stating "beyond the first tariff year, there is not much clarity as the rates proposed in each of the subsequent tariff years bear no correlation to the first year rates of the projected volumes". This is incorrect as detailed working for all five years was given vide letter reference EICI/MEMO/52 dated 27 July 2021.

In the context of Express operations where there is a great deal of uncertainty and given that the tariff approval process takes time, it is advisable to have a sliding scale which the Authority has approved in the past in the case of M/s Esquire in Chennai.

Action requested: It is requested that the sliding scale Tariff be accepted and approved as it will ensure that the tariff comes down when the volumes go up. Alternately the Authority should ensure that the Tariffs will be revised annually if the volumes go down. Given the past it seems unlikely that the Authority would be able to do so every year as the Tariff has not been revised for 8 years.

C. Summary of submissions and key aspects of incorrect calculations in the CP which need rectification to be considered while approving the MYTP Tariff

We had highlighted with detailed explanation on excess income worked out and considered erroneously by the Authority in ARR working. We had also mentioned with explanatory notes on expenses which are not considered / not allowed / allowed at lower yearly increase by the Authority in ARR while working out facilitation rates. Both of these has impact, wherein proposed facilitation rates are reduced, due to error in income and expenses considered in ARR calculations by the Authority as mentioned in the CP.

For easy reference and to have overall idea of our comments on income and expenses and net amount impact on ARR calculation, we are giving the below table, which we request the Authority to consider while finalising tariff rates for the third control period.

(Rs. in Lakhs)

Expenses short considered in AERA Order, which needs to be rectified in ARR working

Particulars	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**Total**
Depreciation on Proposed CAPEX, not approved by the Authority- worked out on assets not allowed by the Authority	-	-	-	3.73	6.02	9.75
Salary not considered by the Authority. Request to refer EICI letter reference EICI/MEMO/111 dated 29 October 2021, comments for Clause 6.2.1 and 6.2.5 of CP	7.43	27.98	51.05	78.26	110.21	274.93
Godown Rent- Request to refer EICI letter reference EICI/MEMO/111 dated 29 October 2021, comments for Clause 6.2.3 of CP	11.42	12.56	13.82	15.20	16.72	69.72
Administrative charges- - Request to refer EICI letter reference EICI/MEMO/111 dated 29 October 2021, comments for Clause 6.2.6 and 6.2.7 of CP	-	6.49	13.95	22.56	32.39	75.38
OPEX Airport Service Provider Charges (excluding godown rent referred above) Request to refer EICI letter reference EICI/MEMO/111 dated 29 October 2021, comments for Clause 6.2.6 and 6.2.7 of CP	-	-3.48	16.41	40.84	68.78	122.56
Expenses short considered by AERA while calculating ARR for rates determination	**18.85**	**43.55**	**95.23**	**160.59**	**234.12**	**552.34**

Excess Income Worked out by AERA					**(Rs. in Lakhs)**	
Excess Detention charges revenue worked out by AERA- - Request to refer EICI letter reference EICI/MEMO/111 dated 29 October 2021, comments for Clause 7.2.3 of CP	138.69	235.03	303.83	381.12	467.96	1526.63
Excess X-ray charges revenue considered by AERA, as compared to X-ray charges and Infrastructure charges revenue projected by EICI- - Request to refer EICI letter reference EICI/MEMO/111 dated 29 October 2021, comments for Clause 7.2.7and 7.2.1 of CP	112.35	60.79	56.45	53.29	50.47	333.35
Excess User access charges considered by AERA as compared to projections submitted by EICI - - Request to refer EICI letter reference EICI/MEMO/111 dated 29 October 2021, comments for Clause 7.2.7 of CP	10.47	11.46	12.60	13.86	15.25	63.64
Excess Revenue considered by AERA while calculating ARR for rates determination	**261.51**	**307.28**	**372.88**	**448.27**	**533.68**	**1923.62**
Total Impact on ARR wherein ARR needs to be reworked and Revenue should be increased by approving higher facilitation rates in order to increase ARR	**280.36**	**350.83**	**468.11**	**608.86**	**767.80**	**2475.96**

We have given our comments on below CAPEX not allowed by the Authority as agreement with CELEBI is expiring at the end of third control period, i.e. on 31 March 2026. While we appreciate the Authority's concerns on protection of users interest, we have provided explanations and reasons for allowing and including below CAPEX which is of critical nature for ensuring that we provide professional services as per industry standards and best practices to the user.

Capital Expenditure Not Considered by AERA **(Rs. in Lakhs)**

Particulars	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-26**	**Total**
CAPEX	-	-	-	57.20	7.20	64.40

In view of above, we again request the Authority to review clause wise comments given by us vide our letter dtd 29 October, 2021 and allow rate increase considering error of Rs.2,475.96 lakhs in the five tariff years ARR working and approve facilitation rates to take care of the shortfall.

We are confident that the Authority will take a note of our comments and approve a commercially viable tariff for Express/ Courier Cargo Services rendered by EICI at Indira Gandhi International Airport (IGIA), New Delhi at the earliest.

We would deeply obliged if the MYTP proposal for the Third Control Period for the EICI Express Terminal, Delhi could kindly be issued at the earliest based on the merits mentioned above and keeping in mind the pressing circumstances given that the operations at the current rates have become unviable.

We also request an opportunity to make a detailed presentation before the Authority before the Tariff Order is finalized so that the above submission may be explained to the Authority.

Kindly acknowledge receipt.

With high regards,

For **Express Industry Council of India**

Nitin D. Dave
Director Finance