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PREMIER CHAMBER OF
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16.06.2011

Shri Sandeep Prakash ,
Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi – 110 003

Handwritten signatures and initials: JGM(R), 21/6, AGM (ABS), Reddy 21/6

Sub: Feed back and reservations on proposal
submitted for AERA Approval by CSC- Mumbai
Airport Consultation Paper No.5/2011-2012

Dear Mr. Sandeep Prakash,

We refer to the above mentioned Proposal and accordingly convey our comments and suggestions as desired.

We give below our observations and comments to the Consultative Paper No.5/2011-2012.

1. We would like to mention at the outset that no consultation was done either by MIAL or by CSC with the trade and industry of Mumbai who are the main users, for which the facility was created.
2. We would also like to mention, though it may be out of place to state, that MIAL also did not hold any consultation with its users and just like in Mumbai, illegal structures are created and subsequently legalized. The development of the Air cargo complex at Sahar airport, is being done in a similar fashion, wherein, the Industry is forced to accept whatever has been created and pay huge tariff and warehouse charges which is against the very purpose of the Government of India, when asset were assigned to the Private Sector.
3. Under Para. No.2, of the above paper, we would like to know whether the service provider had submitted to the Authority a MYTP for its consideration and if not, what action was taken.
4. In reference to Para.No.3, it is regretted to note that the IMC which is a stake holder has not been invited to any consultation or discussion as none had been organized by CSC prior to commencement of its operation at the Air cargo Complex at Sahar.

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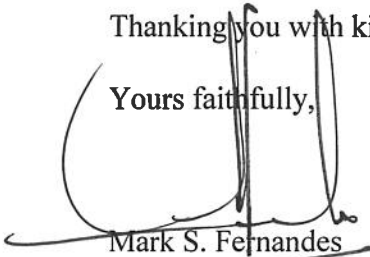
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5. With reference to Para. No.4, the Industry would seek your kind indulgence, as to how CSC is operating the said facility at the Air cargo Complex Sahar, even though its tariff has not been approved by AERA under the AERA Act 2008.
6. Under Para. No.5, of the Paper it is observed that CSC has submitted a proposal subsequently in the MYTP, that they are registered under the Companies Act, 1956 and hence awarded concession by Mumbai International Airport Ltd to create a Perishable Cargo Terminal under BOT concession. We once again seek your indulgence to be enlightened whether the said concession awarded to CSC was by an open tendered or under what procedure was the said concession awarded.
7. Under Para.6, of the paper, it appears that the Industry would only be exploited by CSC who is the BOT developer, if 30.7% or more has to be first paid to AAI and another percentage to MIAL, this only once again confirms the fears of the industry, that the handling charges of EXIM cargo in India, is the highest in the world even though the facilities offered are far below par which are unacceptable internationally.
8. With reference Para. 7, it is shocking that the CSC has produced material evidence of Air India & MIAL who are both monopolistic players in the field, and at whose mercy the Exim Industry has to prostrate. The CSC ought to have given competitive evidence of Players who operate near to the Aircargo complex and hence true competition would have been observed.
9. With reference to Para. Nos 8,9, and 10, we humbly submit that we have nothing to comment on the same.
10. With reference to Para. 11, though the CSC started operating from 16.05.2011, we would like to know whether cargo handled till date has not been charged for and if charges have been recovered from the users, the basis on which the illegal activities were permitted to operate.
11. With reference to Para.12, the grounds for which the authority has considered to adopt a "Light Touch Approach" is best left to the judgement of Authority. However, as stake holder, it would not be out of place to state, that it is high time that the service providers be made liable and accountable to the existing law of our Country and its stake holders.
12. We hope that the authority would take appropriate measures in the matter.

13. We are willing to meet with the Authority to put forward our observation and comment if desired. The TAMP in the Shipping Ministry hold, a Joint Meeting of all stake holders prior to any Tariff being Approved or Revised.

Thanking you with kind regards,

Yours faithfully,



Mark S. Fernandes
Chairman,
Shipping & Aviation Committee