

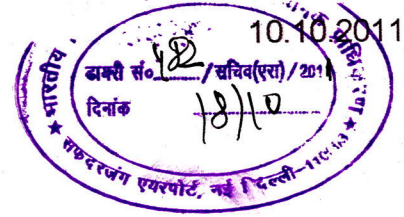


भारतीय विमानपत्तन प्राधिकरण

AIRPORTS AUTHORITY OF INDIA

AAM/C.2114/Vol.III/2006/ 2568-69

The Principal Secretary to Govt. of Tamil Nadu  
Transport (1.2) Department  
Secretariat, Fort St. George  
Chennai – 600 009.



NGM(R)

18/10/11

Sub: Civil Aviation – Multi Year Tariff Proposal (MYTP) for – First Control Period commencing 01-04-2011 – Submitted by M/s. Cambata Aviation Private Limited for Ground Handling Services provided at Chennai International Airport, Chennai – Comments, Views etc. – Requested – Regarding.

Ref: From the Secretary, Airport Economic Regulatory Authority of India, New Delhi, D.O. Letter No.AERA/20010/MYTP/Cambata / GH / Chennai / 2011-12/1358, dated 26.09.2011.

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Sir,

Please refer to your letter No.15538/1.2/2011/ dated 10.10.2011 enclosing therewith D.O. letter No.AERA/20010/MYTP/Cambata / GH / Chennai / 2011-12/1358, dated 26.09.2011 requesting for specific remarks / comments / views on the subject issue. The comments on the said letter and the consultation paper No.18/2011-12 issued by AERA are submitted as follows:

1. Based on specific requests received from International Airlines operating at Chennai Airport [British Airways (terminal handling only), Qatar Airways, Ethihad Airways and Gulf Air] and M/s. Jet Airways for their wide bodied International operations, the Commercial Advisory Board of AAI accorded approval to M/s. Cambata Aviation Pvt. Ltd. for providing Comprehensive Ground Handling Services at Chennai Airport w.e.f. July 2005 on a temporary basis pending finalization of the new Ground Handling Policy.
2. The said permission given to M/s. Cambata Aviation Pvt. Ltd. to provide Ground Handling Services to the above airlines was subject to payment of 13% of their Gross Turnover as license fee to AAI and on temporary basis pending appointment of licensees as per the new Ground Handling Policy.
3. The Airports Authority of India (General Management, Entry for Ground Handling Services) Regulations of 2007 were gazetted as per which Ground Handling Services are to be provided by the following entities:

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- (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 Venture specialized in Ground Handling Services. Third Party Handling may also be permitted to the 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 authorised at these airports in addition to the subsidiaries of National Aviation Company of India Ltd.

4. Pursuant to the above mentioned AAI Ground Handling Regulations of 2007, AAI invited Global tenders in July 2009 for selection of licensee as per Para – 3 (iii) above and selected a Joint Venture Consortium comprising M/s. Bhadra International India Ltd. along with M/s. Novia International Consulting Aps vide letter 09.09.2009 for providing Comprehensive Ground Handling Services at Chennai and Kolkata Airport on payment of license fee 32.5% of the GTO on the prescribed amount of GTO amounting to Rs.211 crores or on the actual Gross Turnover achieved during the year whichever is higher. M/s. Cambata Aviation Pvt. Ltd. did not participate in the said tenders.
5. The Ministry of Civil Aviation, Govt. of India, decided to implement a new Ground Handling Policy as per the Ground Handling Regulations of 2007 w.e.f. 01.01.2011. The said decision was challenged in the Delhi High Court and subsequently by way of SLP in the Supreme Court of India by the Federation of Indian Airlines and others, as per Court Orders the Petitioner airlines shall be entitled for renewal of passes of their Ground Handling Staff subject to their entering into MOU with any approved Ground Handling Agency without prejudice. Based on decision of the Ministry of Civil Aviation, the passes of all Ground Handling Agencies providing services to various airlines have been renewed for a period upto 31.10.2011.
6. As per directives / clarifications received from AAI CHQ vide letter dated 19.08.2011, it has been intimated that the said court orders are applicable only in respect of Petitioner airlines viz Kingfisher Airlines, Spicejet, Indigo, Jet Airways, Jet lite and Go Air subject to entering into MOU. Accordingly,

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intimation has been given to the other International airlines handled by M/s. Cambata Aviation Pvt. Ltd. viz Gulf Air, Ethihad Airways, Qatar Airways and intimating them that M/s. Cambata Aviation Pvt. Ltd. are a non-entitled entity to provide Ground Handling Services at Chennai Airport for International Airlines and they should immediately switch over to any of the authorized Ground Handling Agencies in compliance with the AAI Ground Handling Regulations of 2007. However, M/s. Cambata Aviation Pvt. Ltd. are permitted to provide Ground Handling services to M/s. Jet Airways being a Petitioner airline as per Supreme Court Orders.

7. Hence, from the above it can be seen that the permission given to M/s. Cambata Aviation Pvt. Ltd. by the airport operator i.e. Airports Authority of India was on temporary basis pending selection of licensee as per the Ground Handling Regulation and hence the details given vide Form 1 (b) – Competitive Assessment of Consultation Paper No.18/2011-12 showing them as one of the three authorized Ground Handling Agents is not correct. The only two authorized Ground Handling Agents approved by AAI at Chennai Airport as on date are Air India and Consortium comprising M/s. Bhadra International India Ltd. along with M/s. Novia International Consulting Aps as per the AAI Ground Handling Regulations of 2007.
8. In view of above, determination of tariff for the first control period w.e.f. 01.04.2011 in respect of M/s. Cambata Aviation Pvt. Ltd. should only be for the period up to which they are permitted to provide temporary Ground Handling Services at Chennai Airport.

Yours faithfully,

(N. Jayakumar)

Dy. General Manager (Commercial)  
For Airport Director

c.c.: Capt. Kapil Chaudhary, ✓  
Secretary  
Airports Economic Regulatory Authority of India  
AERA Building, Administrative Complex  
Safdarjung Airports Authority of India  
New Delhi – 110 003

w.r.t. consultation paper  
No.18/2011 -12, the  
comments of AAI Chennai  
Airport may kindly be taken  
on record