

Subject: Reg.- Issue of Consultation Paper No. 02/2019-20 dated 25.04.2019 Date: 05/14/19 04:17 PM

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To,

**Ms. Geetha Sahu**

**AGM (Finance)**

**Airports Economic Regulatory Authority of India**

**AERA Building, Administrative Complex**

**Safdarjung Airport**

**New Delhi-110003**

Dear Ms. Sahu,

**Sub: AERA Consultation Paper No. 02/2019-20 dated 25.04.2019–  
Comments of The Air Cargo Agents Association of India (ACAAI)**

The Air Cargo Agents Association of India (ACAAI) wishes to submit its comments as given below regarding **Consultation Paper No. 02/2019-120** dated 25.4.2019 in the matter of the Multi Year Tariff Proposal and Annual Tariff Proposal (FY.2019-20 to FY. 2020-21) for the second control period in respect of M/s Mumbai Cargo Service Center Airport Pvt. Ltd. (MCSCAPL) for providing International Cargo Handling services at Chhatrapati Shivaji International Airport, Mumbai.

**Comments of ACAAI:**

- 1). The infrastructure development of the facilities at Air Cargo Complex, Mumbai Airport should be time-bound.
- 2). The number of truck docks in the export docking area and space for export general cargo are insufficient.
- 3). Approach road to the Air Cargo Complex should be developed in coordination with and support of the state government authorities
- 4). Import warehouse infrastructure needs to be further enhanced to cope with the volume of import cargo

- 5). Submission of Air Waybill (AWB) copies should be made online and the requirement of hardcopies of the AWB should be completely eliminated in the import cargo handling process.
- 6). Truck management at Air Cargo Complex should be improved for speedy and efficient movement of import and export goods.
- 7). During the monsoon in Mumbai, there is considerable damage to shipments inside the export and import sheds due to the rains and flooding.
- 8). Pilferage and thefts of goods is prevalent in the Air Cargo Complex.
- 9). Greater degree of mechanization is required in the Air Cargo Complex. Manually pulled trolleys are still in use at this complex.
- 10). The location of the warehouses for heavy cargo, perishable cargo, pharma and general cargo is dispersed in various places. Consequently, if a forwarder has all these types of cargo, he is forced to use several trucks to cart the cargo to the various export sheds. Thus, the manpower and transportation costs of the forwarders increase, which in turn increases the transaction costs of exports from India.
- 11). The Custodians have been permitted to observe fixed timeframes such as 48 hours free period for import cargo, after which the freight forwarder is required to pay demurrage charges. If the goods are not claimed within 30 days, it will be auctioned. However, in the case of imports, there are no fixed timeframes. In order to reduce the dwell time to global standards, segregation of the consignment should be done within one hour, request for forwarding should be done in fifteen minutes and the truck should be permitted inside in fifteen minutes.
- 12). There is no minimum service standards or Standard Operating Procedures (SOPs) for the Airport Operators and Custodians. It is essential to introduce and implement SOPs for these organizations, with penalties for non-performance or failure to adhere to the prescribed standards.
- 13). The freight forwarders and Customs Brokers do not have any say in choosing the Custodian/s. Only the airlines has the choice of the Custodian that they wish to use for cargo handling services. Hence, the freight forwarders and Customs Brokers have to compulsorily use the services of the Custodian as decided by the airlines. In comparison, in sea freight, there are several Container Freight Stations (CFSs) and the Customs Broker has a choice to ask the ocean liner to bring his container/s to the CFS of his choice for import or export cargo.

**In view of the above limitations and shortcomings, ACAAI is not in favour of any increase at present in the tariff of M/s. Mumbai Cargo Service Center Airport Pvt. Ltd. (MCSCAPL) for providing international cargo handling services at Chhatrapati Shivaji International Airport, Mumbai.** After the above-mentioned shortcomings are rectified, suitable increase in the tariff may be considered in consultation with the stakeholders.

Thanking you,  
Yours faithfully  
For The Air Cargo Agents Association of India

T.J. Thomas  
Executive Director