



Federation of Indian Airlines
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13 January 2020

To,
The Director (P & S),
Airports Economic Regulatory Authority of India (AERA),
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi-110003.

Subject: FIA Submission towards CP. No. 12/2019-20 dated 23.12.2019 in respect of the "Annual Tariff Proposal for Tariff Year 4 and Tariff Year 5 (01.01.2019 to 31.03.202 & 01.04.2020 to 31.03.2021) of the second control period (01.04.2016-31.03.2021) of M/s KSIEL for providing Cargo Handling services at Trivandrum International Airport"

Dear Sir/Madam,

We, the Federation of Indian Airlines (FIA), write in response to File No. AERA/20010/MYTP/KSIE/C/TVM/CP-II/2016-17 (Consultation Paper No. 12/2019-20) dated 23.12.2019 in respect of the "Annual Tariff Proposal for Tariff Year 4 and Tariff Year 5 (01.01.2019 to 31.03.202 & 01.04.2020 to 31.03.2021) of the second control period (01.04.2016-31.03.2021) of M/s Kerala State Industrial Enterprises Ltd. (KSIEL) for providing Cargo Handling services at Trivandrum International Airport" (CP) issued by the Airports Economic Regulatory Authority of India (AERA).

FIA understands that the present CP is in continuation of the Multi Year Tariff Order (MYTO) No. 36/2017 – 18 dated 23 January 2018 (Order) passed by AERA determining the tariff for the 1st, 2nd and 3rd tariff year of the 2nd control period. The present CP is to consider the tariff for the 4th and 5th tariff year of 2nd control period of KSIEL for providing cargo handling services at Trivandrum International Airport.

At the outset, FIA wishes to state that AERA is under a bounden duty to determine the tariff in terms of :-

(a) Section 13 of the Airports Economic Regulatory Authority of India Act, 2018 (AERA Act);



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- (b) AERA (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft) Guidelines, 2011 ("**Tariff Guidelines**");
- (c) Regulatory jurisprudence and settled principles of law.


Given the above background, FIA wish to submit the following:

1. FIA submits that it appears from the minutes of the User Consultation meeting dated 19 July 2019 (**Consultation Meeting**) that the stakeholders (exporters) have submitted for no increase in the tariff for the 4th and the 5th year of the 2nd control period. In other words, the stakeholders have requested for status quo to be maintained with respect to tariff charged by KSIEL. FIA also submits that there should be no increase in tariff from the existing rates in order to maintain the market stability for cargo operations at Trivandrum Airport.
2. FIA submits that per paragraph 4 and Annexure I of the CP, KSIEL has proposed 14% increase in "TSP charges" of perishable cargo (export). FIA submits that there should be nominal TSP charges for agriculture products / perishable cargo as such nominal charges would benefit farmers and promote the transportation of the agricultural products / produce. FIA further submits that since perishable commodities have low commercial value, nominal / low tariff should be charged on such perishable cargo.

FIA is hereby placing on record its submission in response to the CP for your kind consideration, without any prejudice and craving to submit any additional submission as and when required. FIA also reserves its rights to file a more detailed response, as deemed fit.

Thanking you,

For and on behalf of the Federation of Indian Airlines,


Ujjwal Dey

Associate Director