

KSIE

KERALA STATE INDUSTRIAL ENTERPRISES LTD.

(A Government of Kerala Undertaking)

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MOST IMMEDIATE / BY FAX / SPEED POST.

No.ACC/60/675

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12th August, 2010

The Secretary
Airports Economic Regulatory Authority of India (AERA)
Government of India
AERA Building, Administrative Complex
Safdarjung Airport, New Delhi- 110 003.

Sir,

Sub:- Economic Regulation of Services Provided for Cargo Facility, Ground Handling and supply of Fuel to the Aircraft – reg.

Ref:- Letter F. No.AERA/20019/CGF-G/2009-10/619 and 620 dated 2/8/2010 addressed to (i) Trivandrum Air Cargo Terminal and (ii) Calicut Air Cargo Complex , Kerala State Industrial Enterprises Ltd.

Kindly refer to the above letters and the Consultation Paper No.05/2010-11 dated 2/8/2010 Circulated by the Authority. As a stake-holder in the capacity as the Air Cargo Operator and Custodian of Air Cargo Complexes at Trivandrum and Calicut International Airports, KSIE has already brought the following suggestions for the kind consideration of AERA while formulating the guidelines:

- i) While fixing a ceiling by AERA in the tariff applicable for warehousing as well as other Cargo handling services, the respective Custodians may be given the flexibility to fix competitive rates within the ceiling fixed by AERA.
- ii) Cargo handling services (ie Export / Import activities) carried out at Air Cargo Complexes attached with Airports may be treated as part of Airport activities and the present practice of charging Merchant Overtime, transportation facility etc by Customs etc may be dispensed with by providing sufficient number of Customs Officers for supervision of round the clock operations.
- iii) Sector-wise freight charges by various Airlines may be regulated by AERA to avoid unhealthy competition.

....2/-

Trivandrum Air Cargo Terminal
(ISO 9001:2000 Certified)
Trivandrum-695 008
Tel: 0471-2501016, 2501031
Fax : 2504870

Calicut Air Cargo Complex
(ISO 9001:2000 Certified)
Karipur-673 647
Tel: 0483-2710044, 2711765
Fax : 2713206

E-com portal
www.keralarcade.com



Handwritten notes:
SM(ABS)
May pl ensure
a copy is sent to PWC
and a list is made
for responses
received from
Stake holders for
the subject
CP.No 5/2010-11.

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16/8/10

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2. Apart from the above, we would also submit that while major Ports notified under Major Port Trusts Act, 1963 and Airports notified under the Airports Authority of India Act, 1994 are exempted from the purview of "Handling of Cargo in Customs Areas Regulations, 2009 [Government of India, Ministry of Finance, Department of Revenue, Notification No.26/2009-Customs (N.T) dated 17/3/2009], Custodians like KSIE in the Public Sector are treated at par with stake-holders in the private sector, causing more financial burden on us and retarding our efforts to provide quality service at competitive rates. While framing the guidelines, the possibility of extending equitable treatment to the State Government owned stake-holders in the Civil Aviation sector like KSIE at par with AAI may kindly be considered by AERA in consultation with Ministry of Finance.
3. It is also confirmed that a representative of KSIE will attend the stakeholder consultation meeting on 18/8/2010 at New Delhi.

Thanking you,

Yours faithfully,
For KERALA STATE INDUSTRIAL ENTERPRISES LTD

(M.D. JOSEMON)
MANAGING DIRECTOR

