

Maldivian

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Dt. 29.08.2010

Shri Sandeep Prakash,
Secretary
Airports Economic Regulatory Authority of India
AERA Building
Administrative Complex
Safdarjung Airport,
New Delhi -110003.

1379
100-II

Dear Sir

Sub: Economic Regulation of Services provided for Cargo Facility, Ground Handling and supply of Fuel to the Aircraft.

Ref: AERA/20019/CGF-G/2010-11)

Consultation paper no.05/2010-11

With reference cited above I would like to give you the following evidence – based feed back, comments and suggestions by our airline as stakeholders of Trivandrum Airport.

1. Trivandrum airport is one of the oldest airports and also the first international airport declared other than the 4 metros in India. It has immense potential of cargo movements from 1979 to the Gulf and other countries mostly perishables (fresh vegetable /fruits/drugs and pharmaceuticals) live plants and cut flowers also form cargo to Male and Middle East.
2. The Trivandrum Air Cargo Complex has been started by KSIE, (State government organization) and later handed over to Airport Authority of India. Unfortunately Airport Authority of India handed over again to KSIE for running this cargo complex.
3. Being state government organization, the KSIE is unable to improve their facilities due to the political interference of the various governments. The money earned has been diverted by the politicians, ministers to various other developments in their constituencies resulting in the deprivation of facilities badly required for the development of exports/imports.

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The Airport Authority of India who is professionally running cargo complex is not taking any interest to have another facility in their premises to cater the requirements of the exporters and the importers of Trivandrum airport. The freighter operation has been started in 1994 due to the non availability of space at national carriers to move the perishable cargo required by the gulf Malayalees.

Maldives Airways which is the first national carrier of Maldives had contributed under my leadership in 1993 to move the cargo to Middle East when the Air India aircraft Kanishka was blasted in the Atlantic Ocean .AI stopped taking cargo for one month. At that time, our carrier operated to clear the cargo to various destinations.

During 1994 -2000 air Maldives also a national carrier of Maldives developed a cargo business 10 tons per day, and carried them by their aircraft airbus 300 /A 330 to Middle East and Maldives.

Now there is a huge demand for import and export cargo from Trivandrum and the custodian KSIE does not have enough space to store the import cargo. Hence they have imposed embargo affecting the freighter operations of Emirates and Saudi airlines, Expo aviation, Qatar Airways freighters, and also the line flights, schedule flights, which used to bring import cargo and carry export cargo. Emirates and Saudi Airline are operating 747 aircraft carrying 100 tons of cargo at a time. Most of the time the cargo has been left on the tarmac exposed to rain and sun causing huge loss/damage for the importers. Most of the cargo which is highly sophisticated and valuable and imported by VSSC also had been damaged due to the rain. Some of the valuable cargos also were stolen since KSIE the state Government organization does not have ware house space to accommodate the cargo.

They have imposed embargo resulting in the cancellation of the freighters causing huge business loss to the trade in Trivandrum. So exporters moved their business near by airport like Cochin, Chennai etc.

As per the consultation paper point no .d

to monitor the set performance standards relating to quality continuity and reliability of service as may be specified by the Central Government or any authority authorized by it in this behalf

here its violates clause D of the consultation paper due to the lack of performance, standard related to quality and continuity and reliability of service and violating the international standards, followed by the other airports.

As per para12 clause G of AAI Act 1994 the AAI is liable to establish ware houses and cargo complex at the airports /storage or processing of goods.



Para 12 A 1 also clearly states if they are unable to provide they must lease their premises including building and structures thereon and appurtenances there to carry out some of its functions under section 12 as the authority may deem fit

This has been not done as far as Trivandrum is concerned

Airport like Hyderabad, Chennai , Bangalore which have been established much later than Trivandrum airport are provided with 2 to 3 cargo complexes under the PPP, so as to provide the facilities and cater the demand for the cargo movements in and out of India.

AAI provides cargo facilities at Chennai as a result of which there is increase in growth 20 to 30 % every year but Trivandrum is going down 20 to 30% every year.

In these circumstances, I humbly request you to inspect the inferior and inefficient facilities provided by the KSIE for cargo in Trivandrum.

Ground handling at Trivandrum airport : As per the aircraft act - para 92 very clearly states a competitive environment by allowing the airline operator at the airport to engage without any restrictions , any of the ground handling service providers who have been permitted to provide such services .

But in Trivandrum airport, it has been totally violated. Only the Air India has monopoly and no other Ground Handling company is permitted to do ground handling service at this Airport. AAI always advise and force the airlines to utilize the services of Air India only which is one of the most inefficient ground handlers. They do not have enough manpower or facility to cater to the requirements of the airlines operated in Trivandrum. They totally depend upon the un trained inefficient service providers who are supplying manpower to them resulting 2 to 3 pilferages /theft cases of the passenger baggages at the airport.

Most of the passengers who lose their valuables do not report. The few passengers report to the police and CISF do get back their lost articles. Police/AAI/or CISF never follow up these cases. Several theft cases reported by the passengers from 2007 are pending. Documentary evidence can be produced if required. In many cases the staff engaged by **Air India** are involved.

There was an occasion when an honest security manager was attacked by the staff of the service provider on the instruction of Air India manger (Operation). This honest officer refused to recommend passes for whom he found in indulging in theft after pilfering the baggage of the passengers. Now the Air India manger is behind the bar. This is the state of affairs in Trivandrum airport.

Airport regulatory authority of India which has been formed under the pressure of ICAO, should do some tangible action .against the management of this airport and instruct to have more ground handling company and also more cargo facility as per para 92 of

aircraft act 1934. I also would like to refer the white paper submitted by AERA dt. 22nd December 2009 para 2: 34, in the matter of cargo handling and also ensure nondiscrimination and transparency and protect the passengers and other end-users.

And also para 2. 23 for enabling to facilitate private participation rather than blocking the growing business in this airport within the rules and regulation of the ICAO , BCAS, DGCA and also minimize the risk of airports and ANSPs engage in anti competitive practice or abusing the dominant position

Ensure nondiscrimination and transparency in the application of the charges.
Ascertain that investment in capacity need current and future demand
Protect the passenger of other end users.

AERA also protect users against overcharging or other potentially anti –competitive practice where they constitute abuse of a dominant position.

Need to protect users against undue discrimination in the application of the charges

Need to address the adequacy and service standard and the quality.

Need for effective consultation with the users so as to ensure that their dues are taken properly in to accounts and the need for dispute resolution mechanism.

Ensure that all state obligations specified in the Chicago convention and its annexure as well as all other agreements including air service agreement to which the state is a party.

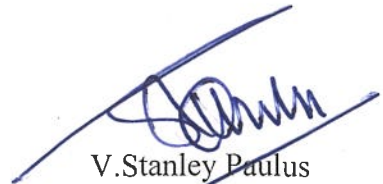
Ensure non discriminatory access to all airport used in respect ground handling and cargo handling. Including new entrance both airside and landside.

I Stanley Paulus, Representative India, Island Aviation Services Ltd. (Maldivian Airlines) a stake holder of Trivandrum Airport submit the above comments and suggestions in respect of the draft guidelines. Regarding the above mentioned service on 30th August 2010 to reach before the deadline by 3rd September 2010.

Trivandrum
Date: 29/08/2010

Yours faithfully

For Island Aviation Service Ltd.


V. Stanley Paulus
(Representative India)