

[F.No. AERA/20010/MYTP/EICI/C/BIAL/2011-12/Vol - I]

Airports Economic Regulatory Authority of India

Order No. 23/2015-16

AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi -110003

Date of Order: 24th June, 2015

Date of Issue: 3rd July, 2015

Service : Courier (Cargo) Handling Services.
Service provider : M/s Express Industry Council of India (EICI).
Airport : Kempegowda International Airport, Bengaluru.

Determination of tariff for the fourth (2014-15) and fifth (2015-16) tariff year of the first control period.

The Authority, vide Direction No. 04/2010-11 dated 10.01.2011, had issued the Guidelines [The Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services provided for Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft), Guidelines, 2011] prescribing procedures, terms and conditions for determination of tariff for the above mentioned regulated services being provided by Independent Service Provider(s). As per the Guidelines, the service providers are required to submit Multi Year Tariff Proposal (MYTP) for the five year control period and Annual Tariff Proposal (ATP) for individual tariff years of the Control Period.

2. The Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by M/s Express Industry Council of India (EICI) in respect of Cargo Handling Services provided at Kempegowda International Airport, Bengaluru for the first control period of 5 years commencing w.e.f. 01.04.2011. After due stakeholder consultation, the Authority issued a Multi-Year Tariff Order (MYTO) vide Order no. 16/2013-14 dated 21.06.2013 wherein, inter-alia, it was decided that the services provided for courier cargo facility at Kempegowda International Airport, Bengaluru are "*material but competitive*" and hence "*Light Touch Approach*" be adopted for determination of tariff. The Authority also determined the Tariff for the first, second and third tariff years vide above referred order.

3. EICI, vide their letter dated 22.04.2014 and 23.06.2014 submitted their Annual Tariff Proposal (ATP) for the fourth and fifth tariff years, for providing Courier Cargo Handling Facility at Cargo Terminal, Kempegowda International Airport, Bengaluru.



4. The Authority, after careful consideration, proposed to determine the tariff for the cargo services provided by Express Industry Council of India (EICI) at Kempegowda International Airport, Bengaluru, for the fourth and fifth tariff year and issued Consultation Paper no. 08/2014-15 dated 04.09.2014 in accordance with the provisions of Section 13(4) of the AERA Act 2008.

5. In response to the consultation paper only one comment was received from Airports Authority of India-AAI which is general in nature.

6. The submissions on annual compliance of EICI were found incomplete as not in conformity with the Guidelines and were conveyed for resubmission of same along-with details of Customs Cost Recovery charges. EICI, vide letters dated 25.03.2015 and 07.04.2015 submitted the requisite documents/ information.

7. EICI made a presentation before the Authority on 05.06.2015 in respect of ATP submitted for the fourth and fifth tariff years for Delhi, Mumbai and Bangalore Airport and MYTP /ATP for Chennai Airport. The Authority considered revenue, profit, reserves and return on RAB as per Financial Accounts submitted by EICI and on query, EICI was not able to justify increase in tariff over earlier approved tariff(s).

8. It was discussed that less than one year is left for completion of the 1st Control Period, which is set to expire on 31.03.2016. Considering the time period remaining after issue of order, the effective period for implementation of revised tariffs would be 6-8 months only. EICI agreed for continuation of the existing tariff for Bangalore Airport and submitted confirmation vide letter dated 08.06.2015 stating that

“.....as indicated during our presentation, in the case of Bangalore the volumes have grown beyond our estimated projections and hence we are willing to accept your directions for no increase at Bangalore.....”

ORDER

9. Upon careful consideration of material available on record, the Authority, in exercise of powers conferred by Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) Express Industry Council of India (EICI) to continue the tariffs in respect of Courier (Cargo) Handling Services at Kempegowda International Airport, Bengaluru for the remaining period of the current control period at the same level as was approved vide Authority's Order No. 16/2013-14 dated 21.06.2013 for the third tariff year (**Annexure-I**).
- (ii) Express Industry Council of India (EICI) shall maintain a separate account for the recovery of Customs cost/ arrears of customs cost on account of the salary revision, and also submit to Authority, details of customs cost recovery charges duly certified by Chartered Accountant and reconciled with Audited financial account along with every MYTP/ ATP.



- (iii) Express Industry Council of India (EICI) shall indicate the custom cost recovery as separate line item in its tariff card while submitting its proposal for the second Control Period.

**By the Order of and in the
Name of the Authority**

Alok Shekhar
**(Alok Shekhar)
Secretary**

To,

**Express Industry Council of India,
501, Crystal Centre, Raheja Vihar,
Off. Chandivali Farm Road, Powai,
Mumbai – 400 072
(Through Shri Vijay Kumar, Chief Operating Officer)**

Copy to:-

Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi-110003.



Express Industry Council of India : Tariff for Bengaluru Terminal

Facilitation Fees, Storage & Processing Charges at EICI Express Terminal

Built, managed and operated by Express Industry Council of India at Bangalore Airport

Effective 01.04.2013 - 31.03.2014

Sr. No.	Charges	Rate(Rs.)
1	International Imports	
1.1	Facilitation Fees	Rs. 19.00 Per Kg.
	Customs Charges	Rs. 2.00 Per Kg.
1.2	Detention Fees	
1.2.1	0-3 Days	Free
1.2.2	From 04-10 Days	Rs. 2/- Per Kg. or part thereof or Rs. 30/ whichever is higher
1.2.3	From 11 - 20 Days	Rs. 3/- Per Kg. or part thereof or Rs. 30/ whichever is higher
1.2.3	From 21 - 30 Days	Rs. 4.50 Per Kg.
1.2.4	From 31st Day	Rs. 6/- Per Kg.
1.2.5	Demurrage Charges *	Rs. 5/- Per Kg.
2	International Exports	
2.1	Facilitation Fees	Rs. 20.00 Per Kg.
3	Customs Charges	Re. 1.00 Per kg.
3.1		
	Domestic Imports	
4	Facilitation Fees	Rs. 1.10 Per Kg.
4.1		
4	Domestic Exports	
	Facilitation Fees	Rs. 1.10 Per Kg.

* Demurrage free period will be as per Govt. of India instructions issued from time to time.

