

Airports Economic Regulatory Authority of India

Order No. 44/2015-16

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

Date of Order: 7th January, 2016

Date of Issue: 20th January, 2016

Service: Ground Handling Services
Service provider: M/s Bird Worldwide Flight Services (India) Pvt. Ltd.
Airport: Cochin International Airport, Cochin.

Determination of tariff for the Fifth (2015-16) tariff year of the first control period.

This 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. Accordingly, the Authority had considered the Multi Year Tariff Proposal (MYTP) submitted by Bird Worldwide Flight Services India Pvt. Ltd. (BWFS) for the first control period commencing 01.04.2011 in respect of Ground Handling Services at Cochin International Airport, Cochin. After due stakeholder consultation, the Authority issued Multi Year Tariff Order (MYTO) No. 39/2011-12 dated 19.03.2012 wherein, inter-alia, it was decided that the ground handling service provided by BWFS is "material but competitive", hence "light touch approach" be adopted for determination of tariff for the 1st control period. Pursuant to issue of above, the Authority considered the Annual Tariff Proposal (ATP) for the first and second tariff year vide Order no. 34/2012-13 dated 21.01.2013, third tariff year vide Order No. 33/2013-14 dated 27.08.2013 and fourth tariff year vide Order No. 14/2014-15 dated 10.11.2014.

3. BWFS India vide letter dated nil received by the Authority on 14.07.2015, submitted the Annual Tariff Proposal (ATP) for fifth tariff year for ground handling services provided by BWFS at Cochin International Airport, Cochin along with (a) the Form B; (b) Form 14(B) i.e. Annual Tariff Proposal, for 5 to 7 tariff years and (c) copy of Ceiling Rates issued by CIAL for the financial year 2015-16 for International and Domestic Passenger flights at Cochin International Airport. BWFS has stated that in the Ceiling Rates List for FY 2015-16, CIAL has not mentioned ceiling rates for Cargo Flights. BWFS has submitted that the ceiling rates given by CIAL for the financial year 2015-16 have remained same as they were



for the financial year 2014-15 and thus has requested for extending the approved rates of 2014-15 for the FY 2015-16 also.

4. It has been observed that though tariff continued at the same rate, actual revenue increased by 33% on YoY basis. There were actual capex of Rs. 2.61 crores in the first three years of control period as against Rs. 10.26 crores proposed to be invested during the control period.

ORDER

5. 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) Bird Worldwide Flight Services India Pvt. Ltd. (BWFS) would continue to levy tariffs in respect of Ground Handling Services at Cochin International Airport, Cochin for the remaining period of the current control period at the same level as was approved vide Order No. 14/2014-15 dated 10.11.2014 for the fourth tariff year (**Annexure - I**).
- (ii) Bird Worldwide Flight Services India Pvt. Ltd. should submit the MYTP and ATP for the 2nd Control Period well in time as per the Guidelines by incorporating the actual financials of 2014-2015.

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


(Joy Kuriakose)
Deputy Chief

To,

**M/s Bird Worldwide Flight Services India Pvt. Ltd.,
E-9, Connaught House,
Connaught Place,
New Delhi – 100 001**

(Through: Shri Gaurav Bhatia, Director)



Bird Worldwide Flight Services (India) Private Limited
Cochin International Airport, Cochin

**Maximum Tariff to be paid by Scheduled Airlines for comprehensive ground handling services for
Tariff Year - 4 (w.e.f. 01.04.2014 to 31.03.2015)**

Maximum Ground Handling Rates in INR for Tariff Year 4								
Sl. No.	ICAO Code	Aircraft Type	Scheduled Passenger Aircraft			Scheduled Freighter Aircraft		
			Domestic	International		Domestic	International	
			Amount in INR	Amount in USD	Amount in INR	Amount in INR	Amount in USD	Amount in INR
1.	Code B 1	Dornier	5,000	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Code B	CRJ, ATR 42	15,000	1,500	94,500	N.A.	N.A.	N.A.
3.	Code C 1	ATR-72, EMB 135	20,000	1,500	94,500	45,000	N.A.	N.A.
4.	Code C 1	EMB 170	25,000	1,500	94,500	45,000	N.A.	N.A.
5.	Code C	A319,A320,A321,B717, B737	35,000	2,500	157,500	75,000	1,800	113,400
6.	Code D	A300, A310	56,300	4,100	258,300	90,000	3,200	201,600
7.	Code E	A 330, A340, B777, B747	105,000	4,800	302,400	110,000	3,800	239,400

Notes:

1. The above rates are excluding Service Tax and including Concession Fee.
2. Exchange rate of 63 is used to convert USD to INR

