

Order No. 22/2019-20

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

Date of Order: 10th February, 2020

Service : **Ground Handling Services**
Service provider : **M/s Air India Sats Airport Services Private Limited (AISATS)**
Airport : **Thiruvananthapuram International Airport.**

In the matter of Annual Tariff Proposal for (FY2019-20 & FY2020-21) for the Second Control Period (FY2016-17 to FY2020-21) in respect of M/s Air India SATS Airport Services Private Limited (AISATS) for providing Ground Handling services at Trivandrum International Airport.

- 1.1 M/s AISATS is one of the Ground Handling agencies appointed by Thiruvananthapuram International Airport for carrying out Ground Handling (GH) at Thiruvananthapuram International Airport, Thiruvananthapuram. The Authority, vide its MYTO Order No. 18/2017-18 dated 21.11.2017, decided to adopt 'Light Touch Approach' in respect of the AISATS for Ground Handling services at Thiruvananthapuram Airport for determination of tariffs for the Second Control Period and allowed AISATS to levy the tariff prevailing as on 31.03.2016 for tariff years FY 2016-17, FY2017-18 & FY2018-19.
- 1.2 The details of other tariff orders of the Authority, issued in the interim to avoid regulatory vacuum, i.r.o. AISATS GH Services at Thiruvananthapuram Airport for the Second Control Period are listed below for reference:
 - a. Order No. 50/2015-16 dated 29.09.2016 upto 30.09.2016;
 - b. Order No. 11/2016-17 dated 29.09.2016 up to 31.03.2017;
 - c. Order no.19/2016-17 dated 31.03.2017 up to 30.09.2017;
 - d. Order no.12/2017-18 dated 29.09.2017 up to 31.03.2018;
 - e. Order no.18/2017-18 dated 21.11.2017 up to 31.03.2019.
- 1.3 M/s AISATS submitted the ATP for FY 2019-20 & FY 2020-21 of the Second Control Period. M/s AISATS has not submitted the copy of Concession Agreement or evidence of Stakeholder Consultation on the proposed ATP for FY 2019-20 & FY 2020-21. Copies of User Agreements have been submitted by AISATS. Further, no complaints have been received from any User i.r.o. the GH services rendered by AISATS at Thiruvananthapuram Airport.



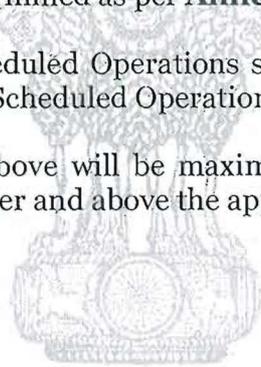
- 1.4 No increase in tariff is sought by AISATS for FY 2019-20 & FY 2020-21 except that AISATS has mentioned in their tariff card that “all charges mentioned above exclude prevailing third party charges such as concession fees, royalty, airport levy charged by the Airport Authority at the time of submission.”
- 1.5 From the Annual compliance Statement (ACS) submitted by M/s AISATS for FY 2016-17, FY 2017-18 & FY 2018-19, and, the MYTP projections of AISATS, the Authority observed that the total traffic volumes show reasonable growth, and, also noted that at the existing tariff levels, M/s AISATS is earning sufficiently to meet the revenue requirements in the remaining tariff years of the 2nd Control Period.
- 1.6 The Authority carefully considered the submissions made by M/s AISATS and issued the Consultation Paper No. 13/2019-20 dated 09.01.2020 proposing the following for Stakeholder Consultation:
- (i) The service for Ground Handling being provided by M/s AISATS Ground Handling Thiruvananthapuram Airport, Thiruvananthapuram is “**not material**” & “**not competitive**” on the basis of which the Authority decided to adopt ‘**light touch approach**’ and issued MYTP for the 2nd Control Period from 01.04.2016 to 31.03.2021.
 - (ii) In line with the above approach, and, in consideration of the Proposal (ATP) of AISATS, to allow M/s AISATS to charge tariffs prevailing as on 31st March 2016 (AERA Order No. 18/2017-18 dated 21.11.2017) for the remaining two tariff years viz. T4 (FY 2019-2020) & T5 (FY2020-21).
 - (iii) Tariff determined as above will be maximum tariff to be charged. No other charge is to be levied over and above the approved tariff which shall be **inclusive** of prevailing concession fees, royalty, Airport levy charged by the Airport Authority.
- 1.7 The Authority also observed that in the footnote of their proposed tariff card AISATS has stated the following-
- “these rates may be revised, where external economic/financial factors warrant a review. However, any change will be in consultation with the stakeholders and final approval of AERA.”
- In this regard, it is to be noted that in respect of major airports the tariff for “aeronautical services” are to be determined by AERA. Hence, the tariff determined by AERA cannot be increased by the Service Provider (AISATS) on its own. For any increase the Service Provider may seek appropriate determination, if need be.
- 1.8 The Consultation Paper No. 13/2019-20 dated 09.01.2020 was put on AERA website and the last date for receipt of Stakeholder comments was 29.01.2020. Till date no comments/views have been received from any stakeholders. Hence, the Authority presumes that the Stakeholders have no objection to the proposal.



ORDER

Upon careful consideration of material available on record, as well as submissions made by AISATS the Authority, in exercise of powers conferred by Section 13(1) (a) of the AERA Act, 2008 hereby orders that:

- i) M/s AISATS is allowed to charge tariffs prevailing as on 31st March 2016 (AERA Order No. 18/2017-18 dated 21.11.2017) for the remaining two tariff years viz. T4 (FY 2019-2020) & T5 (FY2020-21) of the Second Control Period.
- ii) The tariff for providing Ground Handling Services by M/s AISATS at Thiruvananthapuram Airport for FY 2019-20 to FY 2020-21 of the 2nd Control Period are determined as per **Annexure I**.
- iii) The tariff for Non-Scheduled Operations should not exceed the tariff charges approved by AERA for Scheduled Operations for 'similar class of aircraft.'
- iv) Tariff determined as above will be maximum tariff to be charged. No other charge is to be levied over and above the approved tariff.



सत्यमेव जयते

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

Ram Krishan

(Ram Krishan)

Director (Policy & Statistics)

To

**M/s Air India SATS Airport Services Pvt. Ltd.,
B-1101 & 1102, Lotus Corporate Park,
Western Express Highway, Goregaon (East), Mumbai-400063.
(Through: Shri Kalpesh Kumar Singh, Assistant Vice President
Commercial).**

**Copy to: Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan,
Safdarjung Airport New Delhi-110003.**



Annexure - I

Maximum rates determined by AERA for AISATS for FY 2019-20 & FY 2020-21 of second control period (01.04.2016-31.03.2021) scheduled Airlines for comprehensive Ground Handling at Thiruvananthapuram International Airport, Thiruvananthapuram

Maximum Ground Handling Rate in INR

S. No.	Aircraft types	Maximum Approved Rates for Tariff Years FY 2019-20 & FY 2020-21			
		Schedule Aircraft			
	(ICAO Code)	Passenger		Freighter	
		Domestic Flight	International Flight	Domestic Flight	International Flight
1	Code B	20,670	1,06,795	NA	NA
2	Code C	32,281	1,78,509	1,41,787	1,89,155
3	Code D	63,477	2,44,179	1,93,685	4,53,510
4	Code E	1,09,091	3,98,725	2,28,135	4,53,510
5	Code F	-	-	-	-

Note:

- 1) All charges mentioned above **include** prevailing concession fee, royalty, airport levy charges by the Airport Authority;
- 2) All charges mentioned above **exclude statutory taxes** as may be applicable.

