

Hyderabad Menzies Air Cargo Pvt. Ltd.



1st June, 2012

To,
Mr. C.V Deepak
OSD -II
Airport Economic Regulatory Authority Building
AERA Building, Administrative Complex
Safdarjung Airport
New Delhi - 110 003

Dear Mr. Deepak,

Ref.: F No. AERA/20010/MYTP/Menzies/Cargo/HIAL/2011-12/418 dt.23.05. 2012

Subject: Comments on Stakeholder response to Consultation Paper – 03/2012-13 in connection with MYTP and ATP for 1st and 2nd tariff year for the first control period

We welcome this opportunity to address the concerns raised by the representative bodies on our MYTP and ATPs.

Here is our response to the feedback received by AERA:

(1) **Air Cargo Agent Association of India (ACAAI)** has raised two points

- Need a confirmation / clarification that HMA CPL shall not increase the TSP and storage rates during 2012-13.
- Joint meeting should be called before any revision in rates is accepted by AERA.

Custom House Agents (CHA) has also agreed with the opinion of ACAAI.

HMA CPL response: HMA CPL would like to clarify that although increase in rates for TSP and storage was agreed with ACAAI and CHA Association in April 2011, while filing for Annual Tariff Plan for Tariff Year 2011-12 and 2012-13, we have not proposed any rate increase.

For Annual Tariff Plan for Year beginning 1st April, 2013, in case HMA CPL intends to revise the rates of TSP and storage charges, we shall call for a consultation meeting, as done in the past, with trade bodies before implementing any revision.

(2) **Chairman, Board of Airline Representative – Cargo Subcommittee for AP** has raised the concern that rates proposed for Airline cargo unitization, de-unitization and X-Ray screening has not been discussed with them. They have also mentioned that the increase should be deferred till a common agreement between HMA CPL and airline customers is reached.

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HMACPL response: The rates with airline differ from customer to customer and are negotiated on one-to-one basis depending on the volumes and services offered. The rates referred in ATP filed with AERA are maximum rates contracted with any customer and shall only define the upper limit. We would not like to have a common agreement with all airline customers through BAR and propose to follow the existing process of one-to-one negotiation. Unlike TSP tariff, which is charged for providing similar services to all forwarders, in the case of Airline customers, the service scope, volumes handled and service expectation varies from customer to customer. Thus as a standard industry practice (also followed internationally) one-to-one negotiations and agreements (including tariff) is concluded on an individual basis with each Airline customer.

We hope the above clarifies the concerns raised by the users.

Thanking you once again and with best regards.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Vinod Sajnani'.

Vinod Sajnani,
Chief Financial Officer

Cc: Prashant Nimgade, VP Finance, Menzies Aviation India