

ASSOCIATION OF PRIVATE AIRPORT OPERATORS

Regn No. S/64468/2009

Srinivas Bommidala
President

R.K. Jain
Vice President

Satyan Nayar
Secretary General



AERA /CP-18/2013-14/

27 August 2013

Capt. Kapil Chaudhary

Secretary
Airports Economic Regulatory Authority of India,
AERA Building
Safdarjung Airport
New Delhi- 110 003

Sub: Response to AERA Consultation Paper No 18/2013-14 in respect of Annual Tariff Proposal Submitted by Mumbai International Airport Limited for International Cargo Operations for FY.2013-14, at CSI Airport Mumbai.

Dear Madam,

A kind reference is invited to the Consultation Paper No 18/2013-14 in respect of Annual Tariff Proposal Submitted by Mumbai International Airport Limited for International Cargo Operations for FY.2013-14, at CSI Airport Mumbai, issued by the Authority on 13 August 2013. The Authority sought written feedback / comments / suggestions from stakeholders by 27 August 2013. We wish to submit the following comments / suggestions for the kind consideration of the Authority.

We understand that the Authority had after due consultation process decided to determine the Tariff for Cargo facility services provided by MIAL at the CSIA Airport Mumbai under "Light Touch Approach". We appreciate the stand taken by the Authority in this regard. It is our understanding that MIAL had submitted its Annual Tariff proposal for the Cargo facility services for the year 2013-14 after carrying out the mandated consultation process with the Mumbai Airport Cargo stakeholders for the revised tariff for the consideration and approval of the Authority.

Considering the huge investments and the remarkable service improvements and removal of bottle necks made and for also having undergone the mandated consultation process, the proposal of MIAL in the ATP for International Cargo handling services may kindly be approved at the earliest

However, we have observed that the Authority has treated the revenue on account of demurrage charges as Cargo services. We are of the view that demurrage is in the nature of a penalty for the goods which are not removed from the Airport premises beyond the "specified free period" and hence cannot be considered as part of Cargo services. Demurrage is to act as a deterrent for the users for delayed clearance to ensure efficient use of infrastructure and also to avoid congestion at Cargo complex of the Airport. Further we also wish to bring to the kind notice of Authority that the issue of treatment of demurrage charges is presently subjudice matter on account of an appeal filed by MIAL in AERAAT and hence any decision on the issue of demurrage will be subject to the final outcome of the legal proceedings. We would request the Authority to kindly take into account our submissions while approving the Annual Tariff proposal of MIAL for the period 2013 – 2014.

Thanks and Regards

For Association of Private Airport Operators


Satyan Nayar
Secretary General