

APPENDIX

MODEL CLAUSE ON GROUND HANDLING

Each Party shall authorize air carrier(s) of the other Party/Parties, at each carrier's choice, to:

- a) perform its own ground handling services;
- b) handle another or other air carrier(s);
- c) join with others in forming a service-providing entity; and/or
- d) select among competing service providers.

NOTES

i) The options listed above are to be used in accordance with international obligations, the guidance contained in Annex 9 (Facilitation) to the Convention on International Civil Aviation as well as the Statements by the Council to Contracting States on Charges for Airports and Air Navigation Services (Doc 9082), national laws and regulations, and in consultation with the airport operator.

ii) An air carrier is to be permitted to choose freely from among the alternatives available and to combine or change its option, except where this is demonstrably impractical and also where constrained by relevant safety and security considerations, and (with the exception of self-handling in a) above) by the scale of airport operations being too small to sustain competitive providers. At certain airports the number of air carriers and limited physical facilities may not permit all air carriers to perform their own airside ground handling; in such cases, carriers allowed to do so should be selected by objective, transparent and non-discriminatory procedures and competitive, alternative suppliers should be available.

iii) Parties would always be required to take the necessary measures to ensure reasonable costbased pricing and fair and equal treatment for air carrier(s) of the other Party/Parties.

iv) Depending on their particular circumstances States should consider the gradual, phased introduction of self-handling and multiple suppliers based, where appropriate, on the size of the airport.

Data Summary of the Study: Introducing Competition in Ground Handling Services Markets:

(i) Interview data:

S. No.	Issues	Interviewee	Comments	Suggestion
1	<p>GHS Market and competition</p> <p>Ground Handling in India</p> <p>Global Status and facts</p> <p>Safety in operation and Service Delivery levels</p>	<p>Representative of IATA-</p> <p>Mr Prashant Sanglikar, Assistant Director, Safety & Flight Operations</p> <p>International Air Transport Association</p> <p>IATA India</p>	<p>India is a great potential market that has only just begun to realize its enormous promise. Second, to realize that potential some huge issues must be overcome.</p> <p>In India, 5 Airlines doing self-handling (Air India, Jet, Indigo, Go & SpiceJet).</p> <p>Other leading Agencies: Cambata, Celebi, Bird WFS (Globe ground) and AI SATS.</p> <p>Approx 85 per cent Movements Self handled by airlines and rest 15 per cent Movements by Ground handling service providers.</p> <p>Globally, Airlines are fully responsible for Ground Operations even if outsourced.</p> <p>Although several Ground Operations functions are outsourced, airlines are still responsible for oversight and training</p> <p>Way forward could be:</p> <p>Licensing of GH Service providers?</p> <p>Breaking the low price</p>	<p>Crucial Collaboration:</p> <p>Air Lines, Airport Operator, GH agency</p> <p>And Government Regulators--</p> <p>collaborative effort can still lift this crucial sector out of its decline. IATA is stepping in to get both sides (Airline and GH Agency) talking.</p> <p>ISAGO & IGOM: IATA Safety Audit for Ground Operations and IATA Ground Operations Manual assist to streamline the processes of Ground handlers while maintaining consistency in service delivery – Globally.</p> <p>Reiterates statement by the DG IATA:</p> <p>IATA believes that it is time to relook at the whole Ground handling</p>

			<p>spiral won't be easy. Ground handlers effectively say they can't improve while their prices are so low and airlines say they won't pay more given present service levels. To make matters worse, there are no game-changing technologies, processes, or equipment out there that can break this deadlock.</p>	<p>policy</p>
	<p>Government Policy and Regulation for safety, security</p>	<p>(Reiterated Statement of) Mr Tony Tyler, the then DG, IATA</p>	<p>There exists policy disarray in the area of ground handling in India.</p> <p>Airlines are denied the right to self-handle.</p> <p>There is discriminatory policy between how security functions are handled by the domestic airlines versus the international.</p> <p>The concessions awarded by the airports, the legal challenges, the multiple government notifications and their different interpretations has all made ground handling an area suffering from deep policy confusion.</p> <p>This is not an environment where safety and security can thrive.</p> <p>IATA believes that it is time to relook at the whole Ground handling</p>	<p>IATA believes that it is time to relook at the whole Ground handling policy confusion issue afresh.</p> <p>A clean sheet exercise needs to be initiated for a ground handling policy which is in the best interest of Indian aviation.</p>

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2	<p>Government Policy and Regulation for safety, security</p> <p>Self handling and market access to many GH agencies</p>	<p>Mr Ashwini Khanna, Chief Ground Operation, GMR, DIAL, New Delhi</p>	<p>Absence of Government regulations for standards in ground operations needs to be addressed urgently.</p> <p>Airside operations and especially ramp handling are crucial to safety. Airport operator has the wherewithal to ensure safe and secure air side operations. Due to stay on Ground Handling policy implementation, a status quo is being maintained. (This refers to the decision of government to put on hold the GH policy due to petition of airlines federation pending in the Supreme Court of India).</p> <p>Self-handling: every airline wants to have the ground equipment and vehicles with its distinct branding and logo displayed. This is crowding the air side apart from congestion and risky movements on the tarmac</p> <p>There may be nearer to 40 different contractors working at this airport (Delhi International</p>	<p>First and foremost, Government needs to ensure the safety and security issues in ground operations.</p> <p>A comprehensive GH services policy, setting the standards of GH services, equipment, procedures and manpower training and licensing should be immediately brought out.</p> <p>Focus should be on safety rather than mere competition expecting the competitive pricing.</p> <p>Regulatory standards, specific rules, regulations for licensing of GH service providers and the standards and procedures for licensing, training and deployment norms for various personnel operating the ground handling equipment, vehicles and other services.</p> <p>All ownership of GH equipment and vehicles should be with the airport operator and the same can be used in a pool</p>

			<p>Airport). Majority of these are simply the labour supplying contractors at cheaper rates. The training and skills of such a manpower is doubtful.</p> <p>Airlines are engaging these contractors on contract/sub-contract directly and many a times the airport operator is not aware of their security clearances.</p> <p>Most of the safety incidents and accidents occur due to human error.</p> <p>As against these, the airport ground handlers are well trained, security cleared.</p> <p>It's high time Government steps in. A well-crafted ground handling policy and a regular monitoring mechanism is the need of the hour.</p>	<p>arrangement. This way the number plying on the air side space will be limited and safety hazards will be reduced considerably.</p> <p>Airport operator has been authorized to issue entry passes by the Bureau of Civil Aviation Security (the government security regulator). The operator can be authorized to ensure total airport access control and issue of these entry permits to all, including the labour of the GH Contractors (Loaders, drivers, marshals etc.)</p>
3	<p>Government Policy and Regulation for safety, security</p> <p>GHS Market and competition</p> <p>Ground Operations</p>	<p>Mr Santosh Contractor,</p> <p>Cambata Aviation Pvt Ltd. Chennai</p>	<p>Cambata Aviation are over 40 years operating at five international airports- Ahmedabad, Mumbai, Delhi, Chennai and Pune with 4500 whole time employees.</p> <p>We feel a sense of insecurity in our business at Chennai, as the airport operator AAI</p>	<p>An early implementation of the ground handling policy allowing a minimum of three GH agencies to function at the airport.</p> <p>As per the earlier policy, the GH agencies should be immediately certified by the Bureau of Aviation</p>

	<p>Safety issues</p> <p>Access to airport infrastructure</p> <p>Business operation issues, License fees levied by the airport operator</p>		<p>are restricting us from taking on any new business. Government policy circulated since 2007 is yet to be implemented.</p> <p>In the absence of any government regulation, the airport operator at Chennai is levying the Airport Concession fee/License Fees at the rate of their appointed GH agencies i.e. @32.50 per cent of our Gross Turn Over as against the Fees levied @15 per cent of the GTO at Delhi, Mumbai airport.</p> <p>The airport entry permits are renewed on monthly basis for even the whole time bonafide employees, resulting in high staff turnover and recurring training costs.</p> <p>At Chennai, transportation of cargo from the cargo terminal to freighter parking bay 104 of our customer British Airways, along the perimeter road is 12 km! Not to speak of the potholes and uneven poorly maintained condition of this road. This has damaged all our aircraft handling ground equipment during the transportation over such a long distance.</p> <p>Another important issue is the design flaws – at the facilities of the</p>	<p>Security (BCAS)</p> <p>The GH Agencies certified by BCAS should be allowed to provide aircraft security services.</p>
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			airport. For example, the baggage makeup area at the new terminal at Chennai, located in the basement has a very steep gradient due to which transportation of baggage from this area to apron is an unsafe operation.	
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Appendix to Chapter 6

Extracts from

SERVICES SECTORAL CLASSIFICATION LIST

<u>SECTORS AND SUB-SECTORS</u>	<u>CORRESPONDING CPC</u>
11. <u>TRANSPORT SERVICES</u>	
A. <u>Maritime Transport Services</u>	
a. Passenger transportation	7211
b. Freight transportation	7212
c. Rental of vessels with crew	7213
d. Maintenance and repair of vessels	8868**
e. Pushing and towing services	7214
f. Supporting services for maritime transport	745**
 B. <u>Internal Waterways Transport</u>	
a. Passenger transportation	7221
b. Freight transportation	7222
c. Rental of vessels with crew	7223
d. Maintenance and repair of vessels	8868**
e. Pushing and towing services	7224
f. Supporting services for internal waterway transport	745**
 C. <u>Air Transport Services</u>	
a. Passenger transportation	731
b. Freight transportation	732
c. Rental of aircraft with crew	734
d. Maintenance and repair of aircraft	8868**
e. Supporting services for air transport	746
 D. <u>Space Transport</u>	733
 E. <u>Rail Transport Services</u>	
a. Passenger transportation	7111
b. Freight transportation	7112
c. Pushing and towing services	7113
d. Maintenance and repair of rail transport equipment	

e.	Supporting services for rail transport services	743
F.	<u>Road Transport Services</u>	
a.	Passenger transportation	7121+7122
b.	Freight transportation	7123
c.	Rental of commercial vehicles with operator	7124
d.	Maintenance and repair of road transport equipment	6112+8867
e.	Supporting services for road transport services	
G.	<u>Pipeline Transport</u>	
a.	Transportation of fuels	7131
b.	Transportation of other goods	7139
H.	<u>Services auxiliary to all modes of transport</u>	
a.	Cargo-handling services	741
b.	Storage and warehouse services	742
c.	Freight transport agency services	748
d.	Other	
I.	<u>Other Transport Services</u>	
12.	<u>OTHER SERVICES NOT INCLUDED ELSEWHERE</u>	

Note: *The (*) indicates that the service specified is a component of a more aggregated CPC item specified elsewhere in this classification list.

** The (**) indicates that the service specified constitutes only a part of the total range of activities covered by the CPC concordance (e.g. voice mail is only a component of CPC item 7523).