



January 21, 2008

Shri Ashok Chawla
Secretary (Civil Aviation),
Ministry of Civil Aviation,
Government of India,
Rajiv Gandhi Bhavan,
New Delhi

Sir,

Sub: Ground Handling Policy : Express Industry Concerns

Your kind attention is invited to circular 9/1/2002-IR Ground Handling Policy circulated by Director General of Civil Aviation to be effective from January 2009. Some of the provisions contained therein pertaining to cargo handling is a cause of concern to the express operators.

Express operators around the world have made major investments in ground handling assets, training and design of airside facilities as that's the **global best practice** and necessity for meeting customer's need for urgent shipments. Even the busy airports like Singapore, Hong Kong and Sydney in Asia offer facilities to air express operators to handle their own aircrafts. Many express operators have similarly done so in India as that's the pre-requisite for express cargo aircraft operators to fly in their aircraft.

The investments already made in such assets would now become redundant and have a material negative impact on the company. There is need for further increase in investments in air express industry through policies that support the industry but the depriving the express cargo industry from discontinuing the existing practice of self handling of their shipments and aircrafts puts at stake the critical service standards. It will also **discourage the industry to invest in fleet expansion which is an important enabler for economic growth.**

Express cargo operations for express companies operating their own aircraft are significantly different from those of express companies utilizing the belly space of passenger airlines. The volumes carried by express cargo airlines are substantially higher, entailing dedicated capacity and night operations focused on business, commerce and trade needs as opposed to passenger needs. These large volumes are processed within a very short time-window, and technology plays a key role in ensuring the speed, security and reliability of the process where every shipment is required to be tracked in real time.

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Any adverse impact on these critical parameters would have a negative fallout on the manufacturer/supplier, primarily the SMEs', commitment to customers, and damage their business.

Express Cargo operations are extremely time sensitive, requiring turnaround times of 45 minutes at transit points (chocks on to chocks off) and 18 minutes at points of origin for the B737 and 60 minutes and 30 minutes respectively for the B757, which include tow-time of dollies from the warehouse to the aircraft, refueling, unloading and loading of the bulkhold and pallets from/onto the main deck of the aircraft, and ramp transfer of loads between aircraft. There are a total of 8 pallets (15 tonnes approx.) for the B737 and 15 pallets (30 tonnes approx.) for the B757. This is **unlike air cargo (freight) handling which has a longer turnaround time**, and domestic cargo handling of passenger airlines, which is restricted to small volumes (about 1.5 to 3 tonnes) in the bellyhold of passenger aircraft.

Express shipments consist of small size shipments and large volumes that are, therefore, **at least 5 times more in numbers than air cargo** which generally consists of heavy loads and fewer pieces. Last year, Blue Dart handled almost 60 million shipments. The average number of shipments handled per night is about 500,000 and increasing. This requires specialised, swift handling of acceptance, x-ray screening, sorting, tallying and palletising during a very short time period of 60 minutes at each of the airport facilities. We do not believe this capability is currently available at any of the metro airports.

Service Quality is critical to the business model of express cargo operations as reliability is the USP of the service. Currently, domestic air express companies like Blue Dart operates at **reliability levels of 99.96%**, which is possible through the **integration of technology with the process, and a well-trained, professional workforce**. This is an area of grave concern to us, as any fall in service quality would render our services useless. The Ground Handling Service providers are not likely to be in a position to provide the expected service excellence or compensate air express companies or end customer for loss of business on account of poor service. Moreover, how would such a loss be determined is another important questions, the answers to which would determine the future and very existence of our business?

Safety is also an intrinsic part of service quality, and normally shipments that are carried in the express mode are shipments of high value. What would be the liability of the Ground Handling Service provider for the loss, damage or pilferage of such shipments? Also, since the operations are carried out within a very short time window, and the cargo door is at close proximity to the wing/engines (19 inches), the probability of damage could be high. What would be the liability of the inexperienced Ground Handling service provider during the initial period of learning curve for any damage inflicted on the aircraft, the cost of which would be very high and not adequately compensated by insurance?



Express cargo operations are carried out on a **24x7x365** basis, with no leeway for delay or stoppage. The concern is whether such operations can be guaranteed by the service provider, especially in an increasingly unionised environment, and whether, in a situation where there are no other domestic cargo operators, the desired equipment would be available whenever required.

Outsourcing of Ground Handling operations would entail **loss of employment** to a large number of operations and security personnel. The largest percentage of the workforce is deployed in both these areas, which is also a source of employment for the less privileged in our society.

Thanking you,

Yours truly,
For Express Industry Council of India,

A handwritten signature in blue ink, appearing to read "Vijay Kumar", written over a horizontal line.

Vijay Kumar
Chief Operating Officer

cc Hon. Minister of Civil Aviation, Government of India