



435/D18(P&S)
23/3/2020

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

FNO-No. AAI/CHQ/AERA/FTC/2020

The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport
New Delhi-110003

Placed for
Monday review meeting
dated: 23/03/2020

de
24/3/2020
Agm (P)

Sub:- Proposal for recovery of Revenue loss of Throughput charges through UDF in respect of AAI major airports

Sir,

Reference is invited to MoCA letter No. AV-13030/2016/2016-ER (Pt.2) dated 8th January, 2020 wherein MoCA decided to discontinue the levy of airport operator charges or fuel throughput charge in any manifestation at all airports, airstrips and heliports across India with immediate effect and also decided that AERA/Ministry of Civil Aviation as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport Operator/AAI by suitably recalibrating other tariff during their determination of airport tariffs. Accordingly, AAI vide letter No. AV-21012/13/2017-LM/(Pt. dt.17.01.2020 withdrew the Oil Throughput charges i.e. 15/01/2020 (Copy enclosed),

Further reference is also invited to AERA letter No. AERA/20015/FT/2010-11/Vol.II dt. 15.01.2020 wherein Airport operators are advised to implement the directions given by MoCA in the said letter immediate effect and to submit their proposal's to the compensation in lieu of discontinue the levy of fuel throughput charge, if any.

The loss has been worked out based on the tariff orders issued by AERA. The target revenue on account of Oil throughput for period beyond 15.01.2020 till the end of control period of that airport has been considered as revenue loss to AAI and same has been proposed by increasing UDF for said period after considering discounting factor.

Loss due to withdrawal of Oil throughput

i) AERA has issued tariff orders of following 11 airports for the 2nd control period 01.04.2016 to 31.03.2021 and out of which 05 airports i.e. Trivandrum, Jaipur, Lucknow, Guwahati and Ahmedabad are going under PPP transaction. Since, this is the last year of control period and True-up exercise will take time 06 to 07 months, in the meanwhile AERA may be requested to consider the following proposal to compensate the loss due to discontinue of fuel throughput charges in the form of revision of UDF.

(Rs. In Crore)

S.No.	Airport Name	Revenue Loss (15.01.20 to 31.03.20)	Revenue Loss (01.04.20 to 31.03.21)	Total Loss	Present value of Total Loss
1.	Trivandrum	0.6	3.1	3.7	2.2
2.	Calicut	0.5	2.6	3.1	1.9
3.	Jaipur	0.3	1.4	1.7	1.0
4.	Goa .	0.6	3.4	4.0	2.4
5.	Pune .	0.4	2.0	2.4	1.5
6.	Srinagar .	0.1	0.2	0.3	0.2
7.	Kolkata	11.5	58.8	70.3	42.6
8.	Guwahati	0.3	1.9	2.2	1.3
9.	Lucknow	0.9	5.1	6.0	3.6
10.	Chennai	2.7	14.3	17.0	10.3
11.	Ahmedabad	0.4	2.2	2.6	1.6
	Total	18.3	95	113.3	68.6

ii) Further, AERA has issued tariff orders of following 5 airports for the 1st control period 01.04.2018 to 31.03.2023 and out of which 02 airports i.e. Bhubaneshwar and Indore are going under PPP transaction. AERA is requested to consider the following proposal to compensate the loss due to discontinue of fuel throughput charges in the form of revision of UDF.

(Rs. In Crore)

S.No	Airport Name	Revenue Loss (15.01.20 to 31.03.20)	Revenue Loss (01.04.20 to 31.03.21)	Revenue Loss (01.04.21 to 31.03.22)	Revenue Loss (01.04.22 to 31.03.23)	Total Loss	Present value of Total Loss
1.	Vizag	0.2	1.2	1.3	1.4	4.2	2.9
2.	Coimbatore	0.4	2.1	2.3	2.5	7.3	5.0
3.	Bhubaneswar	0.8	4.2	4.8	5.6	15.3	10.4
4.	Indore	0.2	0.9	1.1	1.2	3.4	2.3
5.	Patna	0.2	1.1	1.2	1.5	4.0	2.7
	Total	1.7	9.5	10.7	12.2	34.2	23.3

Recovery of Loss through UDF

(i) It is proposed to recover loss of revenue due to discontinue of Fuel Throughput Charges for the 11 airports w.e.f. 01.04.2020 to 31.03.2021 through UDF as per details given as under:

(In INR)

S.No.	Airport Name	UDF as per AERA Order For FY2020-2021		Proposed UDF For FY2020-2021	
		DOM	INTL	DOM	INTL
1.	Trivandrum	506/-	1069/-	514/-	1077/-
2.	Calicut	213/-	476/-	223/-	486/-
3.	Jaipur	394/-	1237/-	397/-	1240/-
4.	Goa	292/-	595/-	296/-	599/-

5.	Pune	394/-	787/-	397/-	790/-
6.	Srinagar	394/-	787/-	No Change	
7.	Kolkata	583/-	1401.70/-	619/-	1437.70/-
8.	Guwahati	426/-	561/-	430/-	565/-
9.	Lucknow	163/-	475/-	173/-	485/-
10.	Chennai	69/-	69/-	77/-	77/-
11.	Ahmedabad	85/-	85/-	87/-	87/-

(ii) Further it is also proposed to recover loss of revenue due to discontinue of Fuel Throughput Charges in respect of following 5 airports w.e.f. 01.04.2020 to 31.03.2023 through UDF.

(In INR)

S.No.	Airport Name	UDF as per AERA Order For FY2020-2023		Proposed UDF For FY2020-2023	
		DOM	INTL	DOM	INTL
1.	Vizag	300/-	300/-	304/-	304/-
2.	Coimbatore	350/-	450/-	358/-	458/-
3.	Bhubaneshwar	400/-	450/-	409/-	459/-
4.	Indore	302/-	302/-	305/-	305/-
5.	Patna	204/-	204/-	206/-	206/-

The calculation sheet along with the Tariff Cards issued by AERA are enclosed for your consideration and approval

This issues with the approval of Competent Authority.

Thanking you,

Yours faithfully,


(V. Vidya) 21/03/23
General Manager(JVC& Tariff)

Encl:- As Above

Summary of Loss on account of withdrawal of Oil Through put by MoCA and impact of same on UDF in respect of 16 major AAI airports

S.No.	Airport Name	Loss(PV) in Rs cr	UDF as per AERA Order For FY2020-2021 (In RS) Per Pax		Proposed UDF For FY2020-2021(IN Rs per Pax)	
			DOM	INTL	DOM	INTL
1.	Trivandrum	2.2	506/-	1069/-	514/-	1077/-
2.	Calicut	1.9	213/-	476/-	223/-	486/-
3.	Jaipur	1.0	394/-	1237/-	397/-	1240/-
4.	Goa	2.4	292/-	595/-	296/-	599/-
5.	Pune	1.5	394/-	787/-	397/-	790/-
6.	Srinagar	0.2	394/-	787/-	No Change	
7.	Kolkata	42.6	583/-	1401.70/-	619/-	1437.70/-
8.	Guwahati	1.3	426/-	561/-	430/-	565/-
9.	Lucknow	3.6	163/-	475/-	173/-	485/-
10.	Chennai	10.3	69/-	69/-	77/-	77/-
11.	Ahmedabad	1.6	85/-	85/-	87/-	87/-
12.	Vizag	2.9	300/-	300/-	304/-	304/-
13.	Coimbatore	5.0	350/-	450/-	358/-	458/-
14.	Bhubneshwar	10.4	400/-	450/-	409/-	459/-
15.	Indore	2.3	302/-	302/-	305/-	305/-
16.	Patna	2.7	204/-	204/-	206/-	206/-
	Total Loss(PV)	91.9				

Part 24
by chief

F.No. AV-13030/216/2016-ER (Pt.2)
Government of India
Ministry of Civil Aviation
[ER Division]

B-Block, Rajiv Gandhi Bhavan
Safdarjung Airport, New Delhi - 110 003

Dated, the 8th January 2020

To,

1. **Shri Balwinder Singh Bhullar**
Chairperson
Airports Economic Regulatory Authority of India
AERA Building, Safdarjung Airport, New Delhi -- 110 003.
2. **Smt. Rubina Ali**
Joint Secretary (AAI and AD)
Ministry of Civil Aviation
Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi -- 110 003.

Copy to:

1. **Shri Arvind Singh**
Chairman
Airports Authority of India
Safdarjung Airport, New Delhi -- 110 003.
2. **Dr. M.M. Kuttu**
Secretary
Ministry of Petroleum & Natural Gas
Shastri Bhavan, New Delhi -- 110 001.

Subject: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India -- reg.

Dear Sir,

Fuel-related charges are charged variously either in three parts as (a) Airport Operator Charges, (b) Fuel Infrastructure Charges (FIC), and (c) Into Plane (ITP) Charges or as a composite of the three, generally called Fuel Throughput Charge (FTC), at the airports, airstrips and helipads across the country. At some airports, fuel supply is provided on open access basis.

2. Fuel throughput charges for supplying fuel to airline operators at an airport are covered under section 2(a)(vi) of the Airports Economic Regulatory Authority (AERA) Act, 2008, while section 13 sets out the basis on which surcharges are to be levied. At airports being operated by Airports Authority of India (AAI), the power of the authority to charge fees, rents, etc. in respect of aircraft or for any other service or facility offered in connection with aircraft operations at an airport, airstrip or

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heliport arises from the provisions of section 22(i) of the AAI Act, 1994. Airport charges are also variously specified in the existing concession agreements and contracts of airports leased out by AAI.

3. Numerous rounds of stakeholder consultations have been held by the Ministry in order to rationalize the present mechanism of invoicing of ATF fuel throughput charges. These duly incorporated the deliberations of the two industry Working Groups on the subject comprising of representatives of airline operators, airports, fuel infrastructure facility providers, into plane fuel service providers, and oil marketing companies without prejudice to the outcoming of judicial proceedings on the matter of classification of fuel throughput charges as aeronautical or non-aeronautical services initiated by some PPP/JV airport operators.

3. It was seen *inter alia* that the global best practices at airports avoid levying a double charge by way of land rental on fuel suppliers for the use of the land at the airport and a market access or concession fee for providing commercial opportunity when there is no underlying tangible service being rendered by the airport operator.

4. Keeping in view all aspects of the matter, in light of the need to uphold affordability and sustainability of air passenger and air cargo transportation as per the National Civil Aviation Policy 2016, it has been decided as follows:

- (i) Levy of airport operator charge or fuel throughput charge in any manifestation shall be discontinued at all airports, airstrips and heliports across India with immediate effect.
- (ii) AERA / Ministry of Civil Aviation, as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport Operator / AAI by suitably recalibrating other tariffs during their determinations of airport tariffs.

5. This issues with the approval of the competent authority.


(Dinesh Kumar)
Deputy Director (ER)
Phone: 2464 1912
Email: dinesh.kumar14@aic.in

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AV.21012/13/2017-LM/(PL)

16th January, 2020

The Regional Executive Director
Airport Authority of India
Northern/Eastern/North-Eastern/Western/Southern Region
New Delhi/Kolkata/Guwahati/Mumbai/Chennai.

The Airport Director
Airport Authority of India
NSCBI Airport, Kolkata
Chennai Airport, Chennai

Subject: - Rationalisation of Fuel Throughput (Airport Operator) Charges levied by Airport Operators on Aviation Turbine Fuel (ATF) across Airports in India-Reg.

Sir(s).

MoCA vide communication F.No.AV-13030/216/2016-ER (PL2) dated 08/01/2020 has issued the following Directives on above stated subject:

"Levy of Airport Operator charge or Fuel Throughput charge in any manifestation shall be discontinued at all Airports, Airstrips and Helicopters across India with immediate effect."

2 It is therefore requested to implement the directions issued by MoCA with effect from 15th January, 2020 and Throughput Charges bill to Oil Marketing Companies (OMCs) at Airports be raised accordingly.

3 This issues with the approval of Competent Authority.

Yours faithfully

(Anil Gupta)

Executive Director (LM)

Copy to:

- 1 Shri Sanjay Sahay,
ED (Aviation),
Indian Oil Corporation Ltd.
Indian Oil Bhawan,
G-9 Ali Yavar Jung Marg,
Bandra (E), Mumbai-400051

P.T.O.

13/1/20
20/1/20