



## BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref: No. BAOA/AERA/01/2018-19

May 21, 2018

**Secretary**  
**Airport Economic Regulatory Authority of India**  
**AERA Building**  
**Administrative Complex**  
**Safdarjung Airport**  
**New Delhi – 110003**

**Subject- : Comment on AERA Consultation Paper 03/2018-19**

**Madam,**

Following comments are offered on CP 03/2018-19

- i) The decision by the 'authority' not to include cost of land in RAB is the right one. In fact, going forward, cost of land should not be included in RAB for any public airport as provision of land for economic growth of the city/area is the primary responsibility of the government/public sector undertaking (AAI).
- ii) While changing over to 'hybrid till' mechanism is as per NCAP 2016, this should result in nil 'royalty' to be charged on other aeronautical services, which were 'hitherto' treated wrongly as non-aeronautical like 'fuel services, cargo and ground handling'.
- iii) At para 12.8, the annual increase in lease rentals for fuel, cargo & ground handling providers should be rationalized and aligned with RBI forecast inflation rate of 4.2 as mentioned at para 16.13 of CP 03/2018-19
- iv) Fuel Throughput (FTP) charges mean levying royalty at public airports for providing aeronautical services and, as such, this is to be completely abolished.
- v) FROR of 14% should be standardized as a policy for all public airport operators and should also include GHAs to align with the compensation / consideration or fee paid for providing ground handling services at an airport payable to airport operator in addition to applicable land or space rentals. This becomes important after new GH policy issued by MoCA on 15 Dec 2017.

**Thanking You**

**Yours faithfully**

**For Business Aircraft Operators Association**

  
**Gp. Capt. Rajesh K. Bali (Retd.)**  
**Managing Director**