2055 12/12/2012

The come of di minuation was discussed by IATA (Malvyn Fan ) as a PI. Keep for our comments GVK and examination

MIAL/CEO/115

26<sup>th</sup> December, 2012 27/12/2012

The Chairman
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex,

Safdarjung Airport, New Delhi - 110 003 Sey Arens

कार्या वसासाय

Sir,

Subject: Consultation paper No. 22/2012-13 dated 11.10.2012 – comments / submissions received – reg.

Ref: 1. AERA Public Notice No. 10/2012-13 dated 21st December, 2012

2. Letter of Airlines for America ('A4A') dated 14<sup>th</sup> December, 2012 to Hon'ble Minister of Civil Aviation, Shri. Ajit Singh with a copy to AERA and others.

We have come across the above letter of A4A vide AERA Public Notice No. 10/2012-13 dated 21<sup>st</sup> December, 2012. Since it pertains to CSIA MYTP under consideration of the Authority, we submit our comments as under.

Article 10 (1) of Air Transport Agreement between the Government of the United State of America and Government of India is not correctly interpreted by A4A. Article 10(1) is reproduce below:

10 (1) "User charges that may be imposed by the competent charging authorities or bodies of each Party on the airlines of the other Party shall be just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. In any event, any such user charges shall be assessed on the airlines of the other Party on terms not less favourable than the most favourable terms available to any other airlines at the time the charges are assessed."

From the above it may be kindly observed that airlines from USA should not be discriminated against airlines from India. Kindly note depending on sector i.e. domestic or international all airlines belonging to any country are required to pay same charges i.e. within a category there is no differentiation.

**Mumbai International Airport Pvt Ltd** Chhatrapati Shivaji International Airport 1st Floor, Terminal 1B, Santacruz (E), Mumbai 400 099, India

T+91 22 6685 2200 F +91 22 6685 2059 www.csia.in

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Categorisation is a well accepted norm being followed throughout the world and even ICAO vide its Airport Economic Manual (Doc 9562, Second Edition 2006) recongnises such categorisation. Clause 4.25 of the document is reproduce below.

4. 25 "Provision of facilities and services required for different users may vary among airports. Arriving at an equitable cost basis for charges therefore requires an allocation of costs among users. This includes first determinijng who the users are. As for airport operations, they can be broadly classified as international civil traffic, domestic civil traffic, and exempted flights, including military traffic. International and domestic civil traffic can be further subdivided into commercial and general aviation, and all these catergories could be divided into VFR/IFR traffic. However, it may be suffice to limit the allocation of costs to the airport facilities and services provided for the three catergories referred to above, i.e. international and domestic civil traffic, and exempted flights, including millitary traffic. In addition to these categories of airport user, there is the other group at the airport to which airport costs are attributable, namely, the various non-aeronautical activites that serve or benefit from the aircraft operations."

From the above it may be kindly observed that apprehension of A4A is misconceived and unfounded.

Thanking you,

Yours sincerely,

For Mumbai International Airport Private Limited

(R.K. Jain)

**Chief Executive Officer** 



Mumbai International Airport Pvt Ltd Chhatrapati Shivaji International Airport 1st Floor, Terminal 1B, Santacruz (E), Mumbai 400 099, India

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