



BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/12/2017-18
February 13, 2018

Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport
New Delhi – 110 003

Subject:- Comments on AERA Consultation Paper 41/2017-18

Madam,

Please refer your Consultation Papers 41/2017-18

The following comments are offered:-

- (i) AERA has adopted 'light touch approach' for deciding the aeronautical tariff for AIATSL at Ahmedabad due to service deemed as 'non-material'. However, there is a lack of competition at the airport due to only two GHA operating there, This situation doesn't conform to provision of 'competition laws' and the latest GH Policy of the GOI (Please refer para 3(d) of the Gazette of India F.No. AV-24011/8/2017-AAI-MoCA dated 15 December 2017). Further, there is no 'Concession Agreement' in place with the Airport Operator.
- (ii) The 'service provider' has also not conducted any stakeholders consultation, which is critically important for deciding tariff in 'light touch approach'
- (iii) The profit margins for the previous FYs being 63% and 53% in 2015-16 and 2016-17 respectively, there appears no justification in AIATSL asking for any increase in tariff - even marginally by 2% on year on year basis. There is, in fact, need to rationalise the GH charges through a transparent process involving all the stakeholders before AERA approves the charges for FY 2018-19 even at FY 2016-17 level.
- (iv) The airport operator at Ahmedabad public airport is levying unauthorised royalty of 36.3% on all GH services. This has to be aligned with GH policy of GOI, as defined in para 2(h) of the GH policy of GOI. In this regard, please refer to BAOA letter Ref. No. BAOA/AERA/10/2017-18 dt. 10 January 2018 (Copy attached).
- (v) Finally, it is the time AERA disallows levying of royalty at all public airports. In this regard, please refer BAOA letter Ref. No. BAOA/AERA/01/2017-18 dt. 01 May 2017 sent in response to AERA CP 08/2016-17 (copy attached).

We are readily available for any further discussion/clarification on this issue.

Thanking you

For Business Aircraft Operators Association

Gp. Captain R.K. Bali (retd.)
Managing Director

Enclosed:- Letter Ref. No. BAOA/AERA/10/2017-18 dt. 10 January 2018
Letter Ref. No. BAOA/AERA/01/2017-18 dt. 01 May 2017

Copy:- Chairman, AERA

Rohit Kapur
President

Pradeep Agarwal
Vice President

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

Mr. Harsh Vardhan Sharma
Treasurer



BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/10/2017-18

MOST IMMEDIATE

January 10, 2018

भारतीय विमानवाहन आर्थिक विनियामक प्राधिकरण
साफदरजंग एयरपोर्ट, नई दिल्ली-110003

Chairperson,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport
New Delhi – 110 003

प्राप्त
दफ्तरी नं०: 11762
तारीख: 11/01/2018

Subject:- Determination of Tariff for GH Services as Aeronautical Charges

Sir,

Kindly refer para 2(a) (iv) of AERA Act and the latest Ground Handling (GH) Policy issued by GOI (copy attached).

It is brought to your kind notice that GH services are aeronautical services at an airport, as defined in AERA Act. However, AERA has, thus far, not been determining tariff for the GH services at major public airports in accordance with para 13 of the AERA Act. The recent GOI notification on GH Policy, issued on 15 December 2017, clearly defines GH services, at para 2(c) of the notification (attached as Scheduled – I & II), as necessary for an aircraft's arrival at, and departure from, an airport. The copy of the GOI's GH Policy is attached for ready reference please.

We would also point out that the GH Policy has defined 'royalty' at para 2(h) as compensation, consideration or fee paid for providing GH services. Therefore, AERA is requested to consider, this "fee or compensation" as equivalent to "FROR" (at maximum of 15%) factored in by it while determining all other aeronautical tariffs at public airports. At present, many public airports are defining 'royalty' at their own discretion and charging it additionally in the range from 13% to 65%. Besides adversely affecting viability of aircraft operations, this highly variable percentage is illegal as per AERA Act 2008. Please also see the attached letter sent to MoCA in this regard.

We look forward to your immediately confirmation of action being taken as per AERA Act, as suggested above, on GH services at major public airports.

Thanking you

For Business Aircraft Operators Association


Gp. Capt. Rajesh K. Bali (retd.)
Managing Director

Enclosed:- Ground Handling (GH) Policy issued by GOI
letter Ref. No. BAOA/MoCA/08/2017-18, to MoCA

Rohit Kapur
President

Pradeep Agarwal
Vice President

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

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