BAOA

BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/06/2019-20
October 10, 2019

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

Subject: - Comments on AERA Consultation Paper 07/2019-20

Sir/Madam,

Please refer the AERA Consultation Paper 07/2019-20 in respect M/s Celebi Airport Services India Private Limited for providing Ground Handling service at Indira Gandhi International Airport, New Delhi. Following comments are offered.

- The plea for hike in GH charges, by Celebi Airport Services, is purely based on the logic that charges have not been increased for more than 8 years and should now be increased to compensate for increase in staff wages and WPI over these years. This, we believe, is not conforming to the philosophy followed by AERA for fixing charges for aeronautical services.

- Ground Handling (GH) charges, like all other aeronautical charges, are to be decided on 'cost plus' basis (with FROR) rather than 'soft touch' approach - which is more based on approximation and differing perceptions for cost involved in providing GH services at an airport. This also leads to imbalance in the whole process of fixing aeronautical charges, like it happened in this instant case. It has been argued that the GH charges at DIAL have not been revised for 8 years and should be now increased, again, based on pure approximation. If GH charges are fixed based on 'cost plus' basis in MYTP, there would be rational and gradual increase with matching increase, if any, in cost inputs.

We request AERA to look at the whole proposal 'de novo' and fix GH tariff at DIAL in line with its established practice of deciding all aeronautical charges on 'cost plus' basis to avoid such situations in future, wherein the service providers would demand hefty increase in charges in one go.

We are available for any further discussions, if required.

Thanking you

For **Business Aircraft Operators Association**

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