

-292-



AIR INDIA AIRPORT SERVICES

Regd. Office : Airline House, 113, Gurudwara, Rakab Gani Road, New Delhi - 110001
First floor, GSD Complex, Near Gate No. 5, CSI Airport, Terminal II, Mumbai 400 099.
Fax No.022-26829629, Tel : 022-2831 8496

Ref.No.GS/ AIATSL/AERA/01

Date: 04 Apr 2018

To
Mr.V.K.Sachdeva,
DGM-Finance,
AERA Building,
Administrative Complex,
Safdarjung airport,
New Delhi -110003.

Ref : F. No. AERA/20010/MYTP/AIATSL/GH/AMD/CP-II/16-17 dated the 26th March, 2018.

Sub : Comments raised by BAOA on AERA Consultation Paper no. 41/2017-18 dated 24.01.2018.

Dear Sir,

This has reference to the clarification sought on the comments from Business Aircraft Operators Association (BAOA) on the AERA Consultation Paper No. 41/2017-18 dated 24.01.2018, our point wise clarification to the comments from M/s BAOA is as follows :

- (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) the Gazette of India F.No.AV-24011/812017-AAI-MoCA dated 15December2017). Further, there is no 'Concession Agreement' in place with the Airport Operator.

Reply: Matter does not pertain to AIATSL; hence the clarification with regard to Point No. 1 may be obtained from the concerned agency.

- (ii) The 'service provider' has also not conducted any stakeholders consultation, which is critically important for deciding tariff in 'light touch approach'

Reply : AIATSL is not providing services to other third party airlines/operators at AMD presently, hence consultation with other stack holders is not applicable.

- (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.

Reply : Presently there is no third party handling being provided at AMD as stated above. Also 2% increase in ground handling rates is as per the estimated escalation cost. Normally Airlines float Request for Proposal or bid and upon qualifying for the bid, airline further approaches for finalizing the commercial terms.

...2/-

22

(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).

Reply : Matter does not pertain to AIATSL; hence the clarification with regard to Point No.4 may be obtained from the concerned agency.

(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 0812016-[7 (copy attached).

Reply : Matter does not pertain to AIATSL; hence the clarification with regard to Point No.5 may be obtained from the concerned agency.

Thanking you,

Yours faithfully,
Air India Air Transport Services Limited



(V.A. Ambre)

Sr. Asst. Genl. Manager-GH