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एरॉट इंडिया रेगुलटरी ऑथरिटी
AERA INDIA AIRPORTS ECONOMIC REGULATORY AUTHORITY

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Ref.No.GS/AIATSL/AERA/02

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/MYrP/AI/Mum/GH/CP-II/16-17 dated 27th March, 2018.

Sub : Comments raised by BAOA on AERA Consultation Paper no. 43/2017-18 dated 31.01.2018.

This has reference to the clarification sought on the comments from Business Aircraft Operators Association (BAOA) on the AERA Consultation Paper No. 43/2017-18 dated 31.01.2018, 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 Murnbai International Airport due to service deemed as 'material and cornpetitive' . However, there is a lack of reasonability in charges being proposed at the airport due to no transparent and documented process of stakeholder's consultation. Th is situation doesn't conform to provision of 'competition laws' and the latest GH Policy o f the GOI (Please refer para 3(d) of the Gazatte of India F.No.AV-240I)/8/2017-AAI-MoCA dated 15 December 2017). While assessing reasonableness of existing user agreements, AERA has concluded that there has no complaint from 'users ' regarding User Agreements. Th is presumption by the authority could prove to be faulty as the users are mostly unaware of their rights at public airport and consider the mentioned charges in User Agreement as 'fail accompli', with out any redressal. Therefore, AERA is requested to seek specific comments from users on 'User Agreemerns' before presuming their reasonableness.

Reply : As a matter of practice, Airlines float Request for Proposal or bid and after qualifying the bid, airline further approaches for finaizing the commercial terms.

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

Reply : Being a Govt organization, proper procedure and due diligence is followed while responding to tenders and Request for Proposals floated by Airlines. Hence reasonability of tariff is ensured in the competitive bidding procedure.

- (iii) In view of the above, it is required to rationalize GH charges through a transparent process of stakeholders consultations and objective feedback . There is a need to restructure the charges based on limited GH services required by small aircraft. AIATSL be asked to offer rates in baskets starting from minimum charges for limited GH services essential for small aircraft movements.

Reply : Presently, smaller aircraft are handled at General Aviation Hangar No.8, Kalina, where AIATSL is considering setting up ground handling at General Aviation Hangar, Gate No.8, CSI Airport, Kalina.

- (iv) Annex V of CP 43/2017-18 does n't include charges for smaller code 'A' & 'B' aircraft. Please see the attached ICAO codes for reference. This needs to be included for the benefit of NSOP operators.

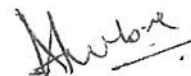
Reply : AIATSL will work out the charges for smaller aircraft type A & B and put up to AERA.

- (v) Finally, it is the time AERA disallows levying of royalty / revenue share, in any form , at all public airports. Please refer BAOA letter Ref. No. BAOA/AERA /01/201 7-18 dt. 01 May 2017 sent in response to AERA CP 08 /2016-17 (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