

File No. AERA/20010/MYTP/AAI-Bhubaneswar /CP-I/2018-19

Consultation Paper No. 16/2020-21



सत्यमेव जयते

Airports Economic Regulatory Authority of India

**In the matter of Provision of Compensation in lieu of Fuel Throughput Charges at
Biju Patnaik International Airport (BBI), Bhubaneswar.**

15th June, 2020

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003**

1. Introduction

The Airports Economic Regulatory Authority (AERA) is a statutory body constituted under the Airports Economic Regulatory Authority of India Act, 2008 vide Gazette Notification dated 5th December 2008. The AERA was established by the Government, to create a level playing field and foster healthy competition among major airports, to encourage investment in airport facilities, to regulate tariffs for aeronautical services etc.

2. Functions of AERA

The main functions of AERA are:

- to determine the tariff for the aeronautical services;
- to determine the amount of the development fees in respect of major airports;
- to determine the amount of the passengers service fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934 (22 of 1934);
- to monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorized by it in this behalf.

Back Ground

3. Ministry of Civil Aviation vide letter No.AV.13030/216/2016-ER (Pt.2) dated 08.01.2020 has decided to discontinue the levy of Airport Operator Charge or Fuel Throughput Charge in any manifestation at all airports. Para 4 of the said letter reads as under:

“Keeping in view all aspects of the matter, in light of the need to uphold affordability and sustainability of air passenger and air cargo transportation as per the National Civil Aviation Policy 2016, it has been decided as follows:

- (i) Levy of airport operator charge or fuel throughput charge in any manifestation shall be discontinued at all airports, airstrips and heliports across India with immediate effect.*
- (ii) AERA/ Ministry of Civil Aviation, as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport*

Operator/ AAI by suitably recalibrating other tariffs during their determinations of airport tariffs.”

4. In accordance with the provisions contained in Section 13 of Airports Economic Regulatory Authority of India Act (AERA Act), 2008, the Authority determined aeronautical tariffs of Biju Patnaik International Airport (BBI), Bhubaneswar, for the 1st Control Period i.e. 01.04.2018 to 31.03.2023 vide Order No. 46/2018-19 dated 08.03.2019 (to be read along with Corrigendum to Order dated 14.03.2019).

4.1 As detailed in Table 57 under para 16.11 of the aforesaid Order, the Authority determined Rs.617.06 crores as the total discounted Aggregate Revenue Requirement (ARR) as per Regulatory Building Blocks for the entire period of 1st Control Period. Fuel Throughput Charge (FTC) was one of the components to achieve this revenue requirement along with other revenues from aeronautical services such as Landing, Parking & Housing, UDF, etc.

4.2 The Fuel Throughput charges considered as part of ARR by the Authority as per the above Tariff Order is given in table -1 below:

Table - 1

	FY 2019-20	15.01.2020 to 31.03.2020	FY 2020-21	FY 2021-22	FY 2022-23
Charges per KL (in Rs)	322.52 / KL		322.52 / KL	322.52 / KL	322.52 / KL
Revenue (Rs. in crores)	3.59	0.75 (pro rata)	4.15	4.81	5.58

5. Considering the above policy decision of MoCA, the Authority vide letter no. AERA/ 20015/FT/2010-11/Vol.II dated 15.01.2020 advised the Airport Operators at all ‘major’ airports to implement the aforesaid MoCA letter with immediate effect. AERA, also advised the Airport Operators to submit their proposal for compensation, if any, due to discontinuation of Fuel Throughput Charges (FTC) for consideration of the Authority.

6. Accordingly, AAI vide letter no. AAI/CHQ/AERA/FTC/2020 dated 23.03.2020 has informed that levy of FTC at Biju Patnaik International Airport (BBI), Bhubaneswar, has been discontinued w.e.f. 15.01.2020, and, further, the expected revenue loss of

Rs.10.40 crores (at NPV) on account of discontinuation of FTC at Biju Patnaik International Airport (BBI), Bhubaneswar, for the period from 15.01.2020 to 31.03.2023 is proposed to be recovered in the form of increased UDF charges.

The shortfall in revenue from 15.01.2020 to 31.03.2023 calculated by AAI is given in table-2 below:

Table – 2 Shortfall in FTC Revenue as calculated by AAI

Period for which Loss of FTC Revenue claimed by AAI	15.01.2020 to 31.03.2020	FY 2020-21 to FY 2022-23	Total FTC loss claimed by AAI
FTC Revenue Projections as per AERA Tariff Order (Rs. in crores)	0.75	14.54	15.29
<i>PV factor</i>	<i>0.88</i>	<i>0.77 / 0.67 / 0.59</i>	
FTC Revenue Projections (at NPV)	0.66	9.74	10.40

6.1 AAI has requested AERA to consider allowing compensation for loss of FTC in the form of increase in UDF Charges as per table-3 below.

Table – 3 Increase in UDF per Pax as Proposed by AAI

FTC Compensation claimed by AAI for period up to FY 2020-23 (at NPV) (Rs. In Crores)		10.40 (A)	
No. of Departing Pax as per Tariff Order [50% of total traffic projections for period FY 2020-21, FY 2021-22 & FY 2022-23]		11034079 (B)	
Increase in UDF per Pax proposed by AAI (A / B)		Rs. 9/- approx	
Existing Rates of UDF as per AERA Tariff Order		Revision in UDF Rates proposed by AAI	
DOM	INTL	DOM	INTL
400	450	409	459

Authority's Examination

7. The Authority has carefully examined the proposal of AAI in reference to the letter no. AV.13030/216/ 2016-ER (Pt.2) dated 08.01.2020 issued by MoCA.

7.1 The Authority as per Order No.46/2018-19 had expected that AAI would generate revenue from Landing Charges and FTC during FY 2020-21 of the 1st Control Period as detailed below in table 4:

Table – 4 Projected Revenue from Landing / FTC as per Tariff Order

(Rs. in crores)

	FY 2018-19 T₁	FY 2019-20 T₂	FY 2020-21 T₃	FY 2021-22 T₄	FY 2022-23 T₅
Revenue from Landing Charges	19.89	31.35	37.87	45.80	55.51
Revenue from FTC	2.82	3.59	4.15	4.81	5.58

7.2 The Authority observes that the tariff for Biju Patnaik International Airport (BBI), Bhubaneswar, has been determined up to 31.03.2023 i.e. the 1st Control Period (01.04.2018 to 31.03.2023) of which the 3rd tariff year FY 2020-21(T₃) is in progress. Therefore, the Authority, assumes that the expected shortfall in revenue from FTC may not be more than the FTC revenue projected for FY 2019-20 (pro rata for 2.5 months), FY 2020-21 to FY 2022-23 as per the AERA Tariff Order No.46/2018-19.

Further, the Authority observes that, AAI, in its Proposal has calculated the shortfall in FTC revenues by taking the base year as FY 2018-19 for calculating the NPV (considering discounting rate as 14%) and have calculated total expected shortfall as Rs.10.40 crores for the period from 15.01.2020 to 31.03.2023 as may be seen at table2 above.

However, as the shortfall i.r.o. FY 2019-20 (from 15.01.2020 to 31.03.2020) and FY2020-21 is being compensated in FY 2020-21, which is already in progress, the Authority in its calculation has considered FY 2020-21 as base year for NPV purpose. Thus the total shortfall in revenue from FTC / ARR, as per Authority's calculation is expected to be Rs.13.41 crores for the period from 15.01.2020 to 31.03.2023 (refer Table 5).

7.3 The Authority observed that, the hitherto abolished FTC, was one of the components of operational expenses for the Airlines, charged to them by the Oil suppliers (OMCs) as a pass through expense by adding it to the cost of fuel (ATF). The Airport Operators were charging FTC to the Oil suppliers as 'royalty', in addition to Land Rent.

Therefore, in effect, abolishing FTC, is expected to directly result in a reduction in the cost of ATF to the Airlines, to that extent, besides also avoiding the cascading effect of taxes, and, thus serves to monetarily benefit the Airlines. Any compensation, therefore, should be recovered from the Airlines. In view of this, the Authority, is not inclined to pass on the burden of compensation to the passengers in the form of increased UDF charges.

Accordingly, the Authority proposes to compensate the shortfall of Rs.13.41 crores in FTC / ARR revenues to the Airport Operator (AAI) by increasing the Landing Charges in the balance years of the ongoing 1st Control Period. The Authority, proposes to revise the existing Landing Charges from 01.07.2020 to 31.03.2023 which shall be trued up while determining tariff of Biju Patnaik International Airport (BBI), Bhubaneswar, for the 2nd Control Period. The calculation is shown in table 5 below:

Table 5. Calculation of Increase in Landing Charges Proposed by Authority

(Rs. in Crores)

Projected Landing / FTC revenue as per Tariff Order No.46/2018-19		FY 2020-21 T ₃	FY 2021-22 T ₄	FY 2022-23 T ₅	Total
Revenue from Landing Charges	A	37.87	45.80	55.51	139.18
Revenue from FTC (incl. 2.5 months pro rata rev for FY19-20)	B	4.90	4.81	5.58	15.29
<i>PV factor</i>	C	1.00	0.88	0.77	
Revenue from Landing Charges (at NPV)	A*C =D	37.87	40.18	42.71	120.76
Revenue from FTC (at NPV)	B*C=E	4.90	4.22	4.29	13.41
Increase in Landing Charges proposed by Authority (in %age)	E/D*100	11%			

Proposal

8. The Authority has carefully considered the proposal of AAI to compensate the revenue shortfall in ARR due to discontinuation of FTC w.e.f. 15.01.2020 and decides to make the following proposal for Stakeholder Consultations:

- (i) The Authority to revise Landing Charges by increasing the existing rates by 11% in each of the tariff years FY 2020-21, FY2021-22 & FY2022-23 at Biju Patnaik International Airport (BBI), Bhubaneswar, i.e. for the period w.e.f. 01.07.2020 to 31.03.2023, or, till the determination of aeronautical charges for the 2nd Control Period, to recover the shortfall in FTC Revenues of Rs.13.41 crores (at NPV) in lieu of abolition of FTC. The Revised Landing Charges proposed by the Authority is annexed as “**Annexure I**”;
- (ii) To ‘true up’ the revenue based on Actuals while determining tariff of Biju Patnaik International Airport (BBI), Bhubaneswar, for the 2nd Control Period;
- (iii) The Revised Landing Charges shall be applicable w.e.f **01.07.2020**.

9. STAKEHOLDERS’ CONSULTATION TIMELINE

9.1. In accordance with the provisions contained in Section 13(4) of the AERA Act, 2008, the proposal mentioned in **Para 8 above** read with the relevant discussion in the other sections of the paper is hereby put forth for Stakeholders’ Consultation. For removal of doubts, it is clarified that the contents of this consultation paper may not be construed as any order or direction of this Authority. The Authority shall pass an order, in the matter, only after considering the submissions of the Stakeholder’s in response hereto and by making such decisions fully documented and explained in terms of the provisions of the Act.

9.2. The Authority welcomes written evidence- based feedback, comments and suggestions from Stakeholder’s on the proposal made in (**Para 8 above**), latest by **26.06.2020** at the following address.

Director (P&S)
Airports Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport, New Delhi -110003

Email: Director-ps@aera.gov.in
Tel: 011-24695040, Fax: 011-24695039

(Chairperson)

Biju Patnaik International Airport (BBI), Bhubaneswar

Revised Landing Charges proposed by the Authority to be applicable for the period from 01.07.2020 to 31.03.2023.

The Authority proposes to increase the existing Landing Charges in each year by 11% i.e. for FY 2020-21 by 11%, FY 2021-22 by 11% & FY 2022-23 by 11%;

I) Existing Landing Charges as per Tariff Order no. 46/2018-19 dated 08.03.2019;

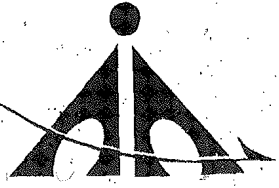
Weight of the Aircraft	FY 2020-21	FY 2021-22	FY 2022-23
Domestic rate per landing (INR)			
Up to 25 MT	166 Per MT	173 Per MT	180 Per MT
Above 25 MT up to 50 MT	4,160+291 per MT in excess of 25 MT	4,326+303 per MT in excess of 25 MT	4,499+315 per MT in excess of 25 MT
Above 50 MT up to 100	11,440+333 per MT in excess of 50 MT	11,898+346 per MT in excess of 50 MT	12,374+360 per MT in excess of 50 MT
Above 100 MT to 200 MT	28,080+406 per MT in excess of 100 MT	29,203+422 per MT in excess of 100 MT	30,371+439 per MT in excess of 100 MT
Above 200 MT	68,640+458 per MT in excess of 200 MT	71,386+476 per MT in excess of 200 MT	74,241+495 per MT in excess of 200 MT
International rate per landing (INR)			
Up to 25 MT	250 Per MT	260 Per MT	270 Per MT
Above 25 MT up to 50 MT	6,240+468 per MT in excess of 25 MT	6,490+487 per MT in excess of 25 MT	6,749+506 per MT in excess of 25 MT
Above 50 MT up to 100	17,940+541 per MT in excess of 50 MT	18,658+562 per MT in excess of 50 MT	19,404+585 per MT in excess of 50 MT
Above 100 MT to 200 MT	44,980+624 per MT in excess of 100 MT	46,779+649 per MT in excess of 100 MT	48,650+675 per MT in excess of 100 MT
Above 200 MT	1,07,380+749 per MT in excess of 200 MT	1,11,675+779 per MT in excess of 200 MT	1,16,142+810 per MT in excess of 200 MT

Note: All the above Charges are excluding of GST. GST at the applicable rates are payable in addition to above charges.

II) Fuel Throughput Charges for the period from 01.04.2020 to 31.03.2023

	Unit	As per AERA Order No. 46/2018-19	Abolished by MoCA w.e.f. 15.01.2020
Fuel Throughput Charges	INR per KL	112.10	'NIL'

Note: All other charges, and, terms & conditions, as determined vide AERA Order No.46/2018-19 dated 08.03.2019 shall remain applicable.



435/D18(P&S)
23/3/2020

भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

FNO-No. AAI/CHQ/AERA/FTC/2020

The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport
New Delhi-110003

Placed for
Monday review meeting
dated: 23/03/2020

de
24/3/2020
Agm (P)

Sub:- Proposal for recovery of Revenue loss of Throughput charges through UDF in respect of AAI major airports

Sir,

Reference is invited to MoCA letter No. AV-13030/2016/2016-ER (Pt.2) dated 8th January, 2020 wherein MoCA decided to discontinue the levy of airport operator charges or fuel throughput charge in any manifestation at all airports, airstrips and heliports across India with immediate effect and also decided that AERA/Ministry of Civil Aviation as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport Operator/AAI by suitably recalibrating other tariff during their determination of airport tariffs. Accordingly, AAI vide letter No. AV-21012/13/2017-LM/(Pt. dt.17.01.2020 withdrew the Oil Throughput charges i.e. 15/01/2020 (Copy enclosed),

Further reference is also invited to AERA letter No. AERA/20015/FT/2010-11/Vol.II dt. 15.01.2020 wherein Airport operators are advised to implement the directions given by MoCA in the said letter immediate effect and to submit their proposal's to the compensation in lieu of discontinue the levy of fuel throughput charge, if any.

The loss has been worked out based on the tariff orders issued by AERA. The target revenue on account of Oil throughput for period beyond 15.01.2020 till the end of control period of that airport has been considered as revenue loss to AAI and same has been proposed by increasing UDF for said period after considering discounting factor.

Loss due to withdrawal of Oil throughput

i) AERA has issued tariff orders of following 11 airports for the 2nd control period 01.04.2016 to 31.03.2021 and out of which 05 airports i.e. Trivandrum, Jaipur, Lucknow, Guwahati and Ahmedabad are going under PPP transaction. Since, this is the last year of control period and True-up exercise will take time 06 to 07 months, in the meanwhile AERA may be requested to consider the following proposal to compensate the loss due to discontinue of fuel throughput charges in the form of revision of UDF.

(Rs. In Crore)

S.No.	Airport Name	Revenue Loss (15.01.20 to 31.03.20)	Revenue Loss (01.04.20 to 31.03.21)	Total Loss	Present value of Total Loss
1.	Trivandrum	0.6	3.1	3.7	2.2
2.	Calicut	0.5	2.6	3.1	1.9
3.	Jaipur	0.3	1.4	1.7	1.0
4.	Goa .	0.6	3.4	4.0	2.4
5.	Pune .	0.4	2.0	2.4	1.5
6.	Srinagar .	0.1	0.2	0.3	0.2
7.	Kolkata	11.5	58.8	70.3	42.6
8.	Guwahati	0.3	1.9	2.2	1.3
9.	Lucknow	0.9	5.1	6.0	3.6
10.	Chennai	2.7	14.3	17.0	10.3
11.	Ahmedabad	0.4	2.2	2.6	1.6
	Total	18.3	95	113.3	68.6

ii) Further, AERA has issued tariff orders of following 5 airports for the 1st control period 01.04.2018 to 31.03.2023 and out of which 02 airports i.e. Bhubaneshwar and Indore are going under PPP transaction. AERA is requested to consider the following proposal to compensate the loss due to discontinue of fuel throughput charges in the form of revision of UDF.

(Rs. In Crore)

S.No	Airport Name	Revenue Loss (15.01.20 to 31.03.20)	Revenue Loss (01.04.20 to 31.03.21)	Revenue Loss (01.04.21 to 31.03.22)	Revenue Loss (01.04.22 to 31.03.23)	Total Loss	Present value of Total Loss
1.	Vizag	0.2	1.2	1.3	1.4	4.2	2.9
2.	Coimbatore	0.4	2.1	2.3	2.5	7.3	5.0
3.	Bhubaneswar	0.8	4.2	4.8	5.6	15.3	10.4
4.	Indore	0.2	0.9	1.1	1.2	3.4	2.3
5.	Patna	0.2	1.1	1.2	1.5	4.0	2.7
	Total	1.7	9.5	10.7	12.2	34.2	23.3

Recovery of Loss through UDF

(i) It is proposed to recover loss of revenue due to discontinue of Fuel Throughput Charges for the 11 airports w.e.f. 01.04.2020 to 31.03.2021 through UDF as per details given as under:

(In INR)

S.No.	Airport Name	UDF as per AERA Order For FY2020-2021		Proposed UDF For FY2020-2021	
		DOM	INTL	DOM	INTL
1.	Trivandrum	506/-	1069/-	514/-	1077/-
2.	Calicut	213/-	476/-	223/-	486/-
3.	Jaipur	394/-	1237/-	397/-	1240/-
4.	Goa	292/-	595/-	296/-	599/-

5.	Pune	394/-	787/-	397/-	790/-
6.	Srinagar	394/-	787/-	No Change	
7.	Kolkata	583/-	1401.70/-	619/-	1437.70/-
8.	Guwahati	426/-	561/-	430/-	565/-
9.	Lucknow	163/-	475/-	173/-	485/-
10.	Chennai	69/-	69/-	77/-	77/-
11.	Ahmedabad	85/-	85/-	87/-	87/-

(ii) Further it is also proposed to recover loss of revenue due to discontinue of Fuel Throughput Charges in respect of following 5 airports w.e.f. 01.04.2020 to 31.03.2023 through UDF.

(In INR)

S.No.	Airport Name	UDF as per AERA Order For FY2020-2023		Proposed UDF For FY2020-2023	
		DOM	INTL	DOM	INTL
1.	Vizag	300/-	300/-	304/-	304/-
2.	Coimbatore	350/-	450/-	358/-	458/-
3.	Bhubaneshwar	400/-	450/-	409/-	459/-
4.	Indore	302/-	302/-	305/-	305/-
5.	Patna	204/-	204/-	206/-	206/-

The calculation sheet along with the Tariff Cards issued by AERA are enclosed for your consideration and approval

This issues with the approval of Competent Authority.

Thanking you,

Yours faithfully,


(V. Vidya) 21/03/20
General Manager(JVC& Tariff)

Encl:- As Above

Summary of Loss on account of withdrawal of Oil Through put by MoCA and impact of same on UDF in respect of 16 major AAI airports

S.No.	Airport Name	Loss(PV) in Rs cr	UDF as per AERA Order For FY2020-2021 (In RS) Per Pax		Proposed UDF For FY2020-2021(IN Rs per Pax)	
			DOM	INTL	DOM	INTL
1.	Trivandrum	2.2	506/-	1069/-	514/-	1077/-
2.	Calicut	1.9	213/-	476/-	223/-	486/-
3.	Jaipur	1.0	394/-	1237/-	397/-	1240/-
4.	Goa	2.4	292/-	595/-	296/-	599/-
5.	Pune	1.5	394/-	787/-	397/-	790/-
6.	Srinagar	0.2	394/-	787/-	No Change	
7.	Kolkata	42.6	583/-	1401.70/-	619/-	1437.70/-
8.	Guwahati	1.3	426/-	561/-	430/-	565/-
9.	Lucknow	3.6	163/-	475/-	173/-	485/-
10.	Chennai	10.3	69/-	69/-	77/-	77/-
11.	Ahmedabad	1.6	85/-	85/-	87/-	87/-
12.	Vizag	2.9	300/-	300/-	304/-	304/-
13.	Coimbatore	5.0	350/-	450/-	358/-	458/-
14.	Bhubneshwar	10.4	400/-	450/-	409/-	459/-
15.	Indore	2.3	302/-	302/-	305/-	305/-
16.	Patna	2.7	204/-	204/-	206/-	206/-
	Total Loss(PV)	91.9				

Part 24
by chief

F.No. AV-13030/216/2016-ER (Pt.2)
Government of India
Ministry of Civil Aviation
[ER Division]

B-Block, Rajiv Gandhi Bhavan
Safdarjung Airport, New Delhi - 110 003

Dated, the 8th January 2020

To,

1. **Shri Balwinder Singh Bhullar**
Chairperson
Airports Economic Regulatory Authority of India
AERA Building, Safdarjung Airport, New Delhi -- 110 003.
2. **Smt. Rubina Ali**
Joint Secretary (AAI and AD)
Ministry of Civil Aviation
Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi -- 110 003.

Copy to:

1. **Shri Arvind Singh**
Chairman
Airports Authority of India
Safdarjung Airport, New Delhi -- 110 003.
2. **Dr. M.M. Kuttu**
Secretary
Ministry of Petroleum & Natural Gas
Shastri Bhavan, New Delhi -- 110 001.

Subject: Rationalisation of Fuel Throughput (Airport Operator) Charge levied by Airport Operators on Aviation Turbine Fuel (ATF) across all Airports in India -- reg.

Dear Sir,

Fuel-related charges are charged variously either in three parts as (a) Airport Operator Charges, (b) Fuel Infrastructure Charges (FIC), and (c) Into Plane (ITP) Charges or as a composite of the three, generally called Fuel Throughput Charge (FTC), at the airports, airstrips and helipads across the country. At some airports, fuel supply is provided on open access basis.

2. Fuel throughput charges for supplying fuel to airline operators at an airport are covered under section 2(a)(vi) of the Airports Economic Regulatory Authority (AERA) Act, 2008, while section 13 sets out the basis on which surcharges are to be levied. At airports being operated by Airports Authority of India (AAI), the power of the authority to charge fees, rents, etc. in respect of aircraft or for any other service or facility offered in connection with aircraft operations at an airport, airstrip or

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heliport arises from the provisions of section 22(i) of the AAI Act, 1994. Airport charges are also variously specified in the existing concession agreements and contracts of airports leased out by AAI.

3. Numerous rounds of stakeholder consultations have been held by the Ministry in order to rationalize the present mechanism of invoicing of ATF fuel throughput charges. These duly incorporated the deliberations of the two industry Working Groups on the subject comprising of representatives of airline operators, airports, fuel infrastructure facility providers, into plane fuel service providers, and oil marketing companies without prejudice to the outcoming of judicial proceedings on the matter of classification of fuel throughput charges as aeronautical or non-aeronautical services initiated by some PPP/JV airport operators.

3. It was seen *inter alia* that the global best practices at airports avoid levying a double charge by way of land rental on fuel suppliers for the use of the land at the airport and a market access or concession fee for providing commercial opportunity when there is no underlying tangible service being rendered by the airport operator.

4. Keeping in view all aspects of the matter, in light of the need to uphold affordability and sustainability of air passenger and air cargo transportation as per the National Civil Aviation Policy 2016, it has been decided as follows:

- (i) Levy of airport operator charge or fuel throughput charge in any manifestation shall be discontinued at all airports, airstrips and heliports across India with immediate effect.
- (ii) AERA / Ministry of Civil Aviation, as the case may be, should take into account the amount in this revenue stream and duly compensate the Airport Operator / AAI by suitably recalibrating other tariffs during their determinations of airport tariffs.

5. This issues with the approval of the competent authority.


(Dinesh Kumar)
Deputy Director (ER)
Phone: 2464 1912
Email: dinesh.kumar14@aic.in

1/2

AV.21012/13/2017-LM/(PL)

16th January, 2020

The Regional Executive Director
Airport Authority of India
Northern/Eastern/North-Eastern/Western/Southern Region
New Delhi/Kolkata/Guwahati/Mumbai/Chennai.

The Airport Director
Airport Authority of India
NSCBI Airport, Kolkata
Chennai Airport, Chennai

Subject: - Rationalisation of Fuel Throughput (Airport Operator) Charges levied by Airport Operators on Aviation Turbine Fuel (ATF) across Airports in India-Reg.

Sir(s).

MoCA vide communication F.No.AV-13030/216/2016-ER (PL2) dated 08/01/2020 has issued the following Directives on above stated subject:

"Levy of Airport Operator charge or Fuel Throughput charge in any manifestation shall be discontinued at all Airports, Airstrips and Helicopters across India with immediate effect."

2 It is therefore requested to implement the directions issued by MoCA with effect from 15th January, 2020 and Throughput Charges bill to Oil Marketing Companies (OMCs) at Airports be raised accordingly.

3 This issues with the approval of Competent Authority.

Yours faithfully


(Anil Gupta) 17/1

Executive Director (LM)

Copy to:

- 1 Shri Sanjay Sahay,
ED (Aviation),
Indian Oil Corporation Ltd.
Indian Oil Bhawan,
G-9 Ali Yavar Jung Marg,
Bandra (E), Mumbai-400051

P.T.O.

13/1/20
20/1/20