



सत्यमेव जयते

AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA

ADDENDUM TO ORDER NO: 11/2021-22

**IN THE MATTER OF
DETERMINATION OF AERONAUTICAL TARIFF FOR
KEMPEGOWDA INTERNATIONAL AIRPORT, BENGALURU (BLR)
FOR
THE THIRD CONTROL PERIOD (01.04.2021 - 31.03.2026)
REQUEST OF BIAL TO CONSIDER THE REVISED AIRLINE
PARTNERSHIP PROGRAMME UNDER VARIABLE TARIFF PLAN**

DATE OF ISSUE: 15th September, 2021

**AERA BUILDING
ADMINISTRATIVE COMPLEX
SAFDARJUNG AIRPORT
NEW DELHI 110 003**



1. BACKGROUND

- 1.1. Airports Economic Regulatory Authority of India ("AERA" or "Authority") vide Order No. 11/2021-22 dated 28th August 2021 had determined the aeronautical tariff for Kempegowda International Airport, Bangalore (BIAL) for 3rd Control Period (01.04.2021 to 31.03.2026).
- 1.2. The Authority vide its decision no. 13.6.2 of the Order No. 11/ 2021-22 had decided to consider the Variable Tariff Plan (VTP) for the Third Control Period with the exception of the Airline Partnership Programme, as it did not meet the non-discrimination guidance of ICAO.

2. PROPOSAL OF REVISED AIRLINE PARTNERSHIP PROGRAMME UNDER VARIABLE TARIFF PLAN BY BIAL

- 2.1. Now, BIAL vide its letter dated 3rd September 2021 has submitted for consideration of the Authority, a revised Airline Partnership Programme under the Variable Tariff Plan for the Third Control Period.
- 2.2. BIAL submitted that the proposed Airline Partnership Programme has been segregated into individual VTPs for domestic and international routes with defined targets for both the categories and separate terms and conditions. Further, BIAL submitted that its revised Airline Partnership Programme is equitable in nature and as per ICAO Guidance on non-discrimination.
- 2.3. BIAL requested the Authority to consider the revised Airline Partnership Programme for the Third Control Period.

3. AUTHORITY'S REVIEW

- 3.1. The Authority has reviewed the revised Airline Partnership Programme submitted by BIAL.
- 3.2. The Authority notes that the Airline Partnership Programme has segregated the Variable Tariff Plan for domestic and international routes.
- 3.3. Based on its examination, the Authority is of the view that the revised Airline Partnership Programme is non-discriminatory and therefore, decides to consider the same as part of the Variable Tariff Plan for the Third Control Period for BIAL as given at Annexure I of this order.



4. **ORDER**

The Authority, in exercise of powers conferred by Section 13(1)(a) of the AERA Act, 2008 and the facts and clarifications placed on record before the Authority, decides and orders that:

- 4.1. In addition to the Variable Tariff Plan considered by the Authority in the Order No. 11/ 2021-22 dated 28.08.2021 for the Third Control Period, the Authority decides to consider the Airline Partnership Programme as part of the Variable Tariff Plan as given at Annexure I of this order with effect from 1st October 2021.
- 4.2. The other terms and conditions of the Order No. 11/ 2021-22 dated 28.08.2021 shall remain same.

By the order of and in the name of the Authority



**(Col. Manu Sooden)
Secretary, AERA**

To,
Shri Hari K Marar
Managing Director & CEO
Bangalore International Airport Limited
Alpha-2, Kempegowda International Airport,
Bengaluru – 560 300, India

Copy to,

1. **Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi – 110 003**

2. **Directorate General of Civil Aviation, for issue of AIC**



ANNEXURE I

1. AIRLINE PARTNERSHIP PROGRAMME FOR DOMESTIC ROUTES:

VTP - AIRLINE PARTNERSHIP PROGRAMME FOR DOMESTIC ROUTES		
	FY 22	FY 23
Landing Charges - Domestic		
Rate per MTOW (for MTOW≤100)	0.50*RR	0.75*RR
Rate per MTOW (for MTOW>100)	0.50*RR	0.75*RR
Parking		
Rate per MTOW (for MTOW≤100)	0.50*RR	0.50*RR
Rate per MTOW (for MTOW>100)	0.50*RR	0.50*RR

*RR indicates Rack Rate

Qualification Criteria for Airline Partnership Programme for Domestic Routes:

Existing Airline - Multiple factor increase compared to Feb'20		
Monthly Targets	FY 22	FY 23
Passenger Growth	2x	2.5x
Departure ATM growth	2x	2.5x
Domestic routes	5x	6x

New Airline		
Monthly Targets	FY 22	FY 23
Passenger Nos	≥60,000	≥90,000
Departure ATMs/day	10	15
Domestic routes	2	5

Terms and Conditions:

- i. Existing airline means scheduled carrier that had scheduled domestic routes to/from KIAB in Feb 2020.
- ii. New Airline means scheduled carrier that starts domestic routes to/from KIAB effective FY 22.
- iii. The qualification criteria are based on the incremental business compared to pre-covid levels (Feb'20).
- iv. The qualified airline needs to meet all the three criteria (pax, departure ATMs, domestic routes) to be eligible for the proposed VTP.
- v. There will be monthly evaluation of the performance.
- vi. Actual annual performance of the qualifying airline(s) shall also be considered as part of incentive eligibility criteria.
- vii. Airline Partnership Programme for Domestic Routes" VTP is not exclusive to any one airline. At a given period of time, there can be more than one airline qualifying for the above.
- viii. In the scenario of slow traffic recovery at airport level in FY22 (below 50% of FY20 levels) owing to Covid-19 and continued restrictions on scheduled operations in FY 22, the period of proposed Airline Partnership Programme shall be extended to 3 years (until FY 24) instead of proposed 2-year period (until FY 23), with the same qualification criteria, as mentioned above.
- ix. Other general terms and conditions as included in the 3rd Control Period VTP for Scheduled Passenger Flights shall also be applicable.



2. AIRLINE PARTNERSHIP PROGRAMME FOR INTERNATIONAL ROUTES:

VTP - AIRLINE PARTNERSHIP PROGRAMME FOR INTERNATIONAL ROUTES			
	FY 22	FY 23	FY 24
Landing Charges - International			
Rate per MTOW (for MTOW≤100)	0.00*RR	0.25*RR	0.50*RR
Rate per MTOW (for MTOW>100)	0.00*RR	0.00*RR	0.25*RR
Parking			
Rate per MTOW (for MTOW≤100)	0.00*RR	0.50*RR	0.75*RR
Rate per MTOW (for MTOW>100)	0.00*RR	0.50*RR	0.75*RR

*RR indicates Rack Rate

Qualification Criteria for Airline Partnership Programme for International Routes:

Existing Airline - Multiple factor increase compared to Feb'20			
Monthly Targets	FY 22	FY 23	FY 24
Passenger Growth	2x	2.5x	3x
Departure ATM growth	2x	2.5x	3x
International routes	2x	2.5x (minimum 1 long haul destination)*	3x (minimum 2 long haul destinations)*

*Long haul means destinations>5000 km range ex BLR

New Airline			
Monthly Targets	FY 22	FY 23	FY 24
Passenger Nos	≥20,000	≥40,000	≥60,000
Departure ATMs/day	3	6	9
International routes	2	4	6 (minimum 1 long haul destination)*

*Long haul means destinations>5000 km range ex BLR

Terms and Conditions:

- Existing airline means scheduled carrier that had scheduled international flights to/from KIAB in Feb 2020
- New Airline means scheduled carrier that starts international routes to/from KIAB effective FY 22
- The qualification criteria are based on the incremental business compared to pre-covid levels (Feb'20).
- The qualified airline needs to meet all the three criteria (pax, departure ATMs, domestic routes) to be eligible for the proposed VTP.
- There will be monthly evaluation of the performance.
- Actual annual performance of the qualifying airline(s) shall also be considered as part of incentive eligibility criteria.
- Airline Partnership Programme for International Routes" VTP is not exclusive to any one airline. At a given period of time there can be more than one airline qualifying for the above.



-
- h) In the scenario of slow traffic recovery at airport level in FY22 (below 50% of FY20 levels) owing to Covid-19 and continued restrictions on scheduled operations in FY 22, the period of proposed Airline Partnership Programme shall be extended to 4 years (until FY 25) instead of proposed 3-year period (until FY 24), with the same qualification criteria, as mentioned above.
- i) Other general terms and conditions as included in the 3rd Control Period VTP for Scheduled Passenger Flights shall also be applicable.



सत्यमेव जयते

भा.वि.आ.वि.प्रा.

AERA

