

फा.सं.ऐरा/20010/एम.वाई.टी.पी./सी.एच.आई.ए.एल./सी.पी.- II /2016-17/भाग-I

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण

ऐरा भवन, प्रशासनिक कॉम्पलेक्स,

सफदरजंग एयरपोर्ट,

नई दिल्ली -110003

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दिनांक : 21 अगस्त, 2020

सार्वजनिक सूचना संख्या 13/2020-21

विषय : चंडीगढ़ इंटरनेशनल एयरपोर्ट लिमिटेड, चंडीगढ़ (सिविल एन्क्लेव) में प्रवाह-क्षमता प्रभारों के बदले प्रतिकर के प्रावधान के संबंध में दिनांक 03.08.2020 के परामर्श पत्र संख्या 32 / 2020-21 पर हितधारकों से प्राप्त टिप्पणियां / प्रस्तुतियाँ।

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उपरोक्त विषय पर दिनांक 21 अगस्त, 2020 की सार्वजनिक सूचना संख्या 13/2020-21 सभी संबंधित हितधारकों के सूचनार्थ और अनुपालन के लिए संलग्न है।

भवदीया,

गीता साहू

(गीता साहू)

सहायक महाप्रबंधक (वित्त)

**File No. AERA/20010/ MYTP/CHIAL/CP-II/2016-17/ Vol.I**  
**Airports Economic Regulatory Authority of India**

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

**Date: 21<sup>st</sup> August, 2020**

**Public Notice No. 13/2020-21**

**Sub: Comments/Submissions received from Stakeholders on the Consultation Paper No. 32/2020-21 dated 03.08.2020 regarding the Provision of Compensation in lieu of Fuel Throughput Charges at Chandigarh International Airport Limited, Chandigarh (Civil Enclave).**

Attention of all concerned is invited to Consultation Paper No. 32/2020-21 dated 03.08.2020 regarding the Provision of Compensation in lieu of Fuel Throughput Charges at Chandigarh International Airport Limited (Civil Enclave), vide which the Authority had sought comments from the Stakeholders.

2. In response thereof, the Authority has received comments/submissions from the following Stakeholders.

<b>Sl. No.</b>	<b>Stakeholders</b>
1.	<u>Business Aircraft Operators Association (BAOA)</u>

The comments/ submissions received, as above, are attached for information of all concerned.

  
**(Ram Krishan)**  
**Director (P&S)**



## BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/03/2020-21

August 17, 2020

**Secretary**

**Airports Economic Regulatory Authority of India**

**AERA Building, Administrative Complex,**

**Safdarjung Airport,**

**New Delhi -110003.**

**Subject: - Comments on AERA CP - 31 & 32 of 2020 - Compensating loss of FTC revenue to airport operators**

**Sir/Madam,**

Please refer CPs 31 & 32/2020-21, issued to propose for compensating loss of revenue to public airports due to discontinuation of FTC at Nagpur and Chandigarh airports. Our comments are as follows:

- The decision of 'authority' not to alter the existing UDF, by miniscule amounts, to compensate for loss of revenue due to FTC at Nagpur (CP 31/2020-21), is not well understood. Most airlines, as such, have very thin margins of profit and find it difficult to sustain 'operational profitability' even with marginal increase in ATF charges, which happens every now and then. There is always stiff competition between the few airlines operating in India to maximise seat occupancy and, any savings in 'operational costs', as perceived by AERA, would get quickly eroded by selling tickets at discounted price to achieve higher seat occupancy in each flight. Therefore, 'authority's perception that, FTC's abolition would reduce operational costs for airlines, is not well founded. It is not fair to presume that 'airlines would get financial benefit with abolishing of FTC and, therefore, should be charged in alternate way to make good the loss of revenue to the airport'. In fact, the whole plea of the airlines here was to 'rationalise the costs of operations' by abolishing unfair charges to let operations become sustainable on long-term basis. By the philosophy of continuing to alternately charge airlines for the, hitherto, unfair FTC, is going to adversely affect the long-term sustainability of airlines and indirectly impinge on flight safety too. FTC was an unfair charge and, alternately charging already struggling airlines, both scheduled and non-scheduled, would have negative effects on aviation industry. Inducing an element of possible compromise to safety, through increase in 'landing charges' for extremely 'cost-sensitive' airlines, would be a retrogressive step and, must be avoided.
- As has been proposed for CHIAL in CP 32/2020-21, it would be advisable to compensate airport operators, both in PPP model and under AAI, by spreading the FTC amount over the much larger population base of air passengers, whose number would continue to swell in future and, with further increase in seat occupancy, the airport operators would get more than adequately compensated for the loss of FTC revenue. As such, the air ticket price in India is one of the cheapest in the world and asking passengers to pay Rs. 10-20 extra per flight is no big deal, at all. In case of CHIAL it has worked out as Rs. 13/- per passenger. Even MOCA had, earlier, considered charging each passenger extra of around Rs 100/- on trunk routes to finance its ambitious UDAN scheme under RCS. Further, UDAN scheme considers 'no landing/parking charges' at all public airports. This is because 'any additional financial burden' on airlines, already struggling on very thin profit margins, is not in the best interest of aviation industry of our nation. We support proposed increase of UDF for CHIAL.
- 'Authority' is requested to take a long-term view of this revenue compensation at Nagpur, keeping in mind the unprecedented growth of air passenger traffic in India (over 10% every month) continuously for 50 months, till last year. Increasing UDF marginally at Nagpur too, would help create 'win-win' situation for 'airport operators' as well as 'airlines'. As far as air passengers are concerned, this is the amount even rail/bus passenger don't mind paying extra for the sake of safe/reliable/sustainable services.

We are readily available for any further discussions on the issue.

**Thanking You**

**Yours faithfully**

For **Business Aircraft Operators Association**

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