
Public Notice No.13/2021-22 dated 01.07.2021 for ATP/Tariff Card for BIAL

From : Corporate Affairs HQRS. <corporateaffairs.hq@airindia.in>
Subject : Public Notice No.13/2021-22 dated 01.07.2021 for ATP/Tariff Card for BIAL

Mon, Jul 05, 2021 04:15 PM

To : Jaimon Skaria <jaimon.skaria@gov.in>

Cc : V Hejmadi <v.hejmadi@airindia.in>, Commercial Director <cd@airindia.in>, EDCA EDCA <edca@airindia.in>

Dear Sir,

Please refer your email dated 1. 7.2021 on Consultation Paper No. 10/2021-22 dated 22.06.2021, in the matter of determination of Aeronautical Tariff for Kempegowda International Airport, Bangalore for the Third Control Period. Our inputs for UDF and CUTE charges, a regulated Aeronautical charge are as under;

UDF is a part of TFC (Taxes/Fees/Charges) component which is applicable on all tickets and finally becomes a constituent of the total ticket price paid by passengers. Presently, UDF charged by BIAL for all embarking passengers is at the rate of Rs. 218 for Domestic passengers and Rs. 991 for International Passengers.

In the paper, BIAL has proposed UDF rates for the Third Control Period at **Rs 450/- for Domestic passengers** and **Rs. 1350/- for International Passengers** are an **increase** of **106%** and **36%** respectively.

The rates above are way too high than the present rate and will raise the average ticket prices by a great extent. Further, in the present situation, it is unlikely that International Travel will resume back to normalcy level shortly, which makes Domestic Travel more important for airlines in India. A 110% percent jump in UDF will have a direct effect on the total fare of tickets and will discourage passenger travel.

Even the background report prepared and submitted by BIAL openly states that normalcy to be restored in air travel in India is unlikely before the country reaches an optimal level in vaccination of the population which will maybe push it to second quarter of 2022.

Based on the above, it is quite evident that BIAL would want to hike UDF because of falling passenger numbers and also a weak demand forecast.

The submission of BIAL regarding Impact of COVID is also echoed by all airlines operators in India and as such any increase in tariff like UDF which in turn will have an amplifying effect on the final ticket price will have a rebounding effect. Higher ticket price in an unstable economy due to the current pandemic will have a negative incidence on passenger growth, which will not be a welcome situation for the aviation industry in whole.

In view of the above, although, we are aware that times are tough for airport operators also but any increase in UDF to compensate the decreasing revenue stream will affect both the airport operator as well as the airlines.

In this regard, we would like to put forward that we strongly feel that any revision in tariffs by BIAL should be kept in abeyance till signs of recovery in the Indian Aviation sector is observed. However for

CUTE charges, we do not have any objections and the same may be implemented as proposed.

Thanks and regards,

Rohit Dubey
For Executive Director(CA)
Corporate Affairs Hqrs.
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From: "Jaimon Skaria" <jaimon.skaria@gov.in>

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Cc: "Manu Sooden" <secretary@aera.gov.in>, "RAM KRISHAN" <director-ps@aera.gov.in>

Sent: Thursday, July 1, 2021 6:08:08 PM

Subject: Public Notice No.13/2021-22 dated 01.07.2021 for ATP/Tariff Card for BIAL

Sir/ Madam,

I am directed to inform you that the Authority has issued the Consultation Paper No. 10/2021-22 dated 22.06.2021, In the matter of determination of Aeronautical Tariff for Kempegowda International Airport, Bangalore for the Third Control Period ([01.04.2021 - 31.03.2026](#)).

In this regard, BIAL has submitted the proposed ATP/Tariff Card to AERA as required under the said Consultation Paper. The proposed tariff card is attached here along with Public Notice No.13/2021-22