



19th Jul 2021

REF- AOC/BLR/CP/01/21

To
The Director – (P & S)
Airports Economic Regulatory Authority of India (AERA)
AERA Building, Administrative Complex,
Safdarjung Airport,
New Delhi - 110002

Sub: Response to Consultation Paper No.10/2021-22 dated 22nd June 21 issued by AERA in the matter of Tariff determination of Kempegowda International Airport for the third Control period

Dear Sir,

This is with reference to the Consultation Paper issued by AERA in respect of determination of aeronautical tariffs for Kempegowda International Airport. Airline Operators Committee, Bangalore (AOC, BLR) represents the interests of airlines that operate to Bengaluru and is in close collaboration with the airport operator to ensure that our business interests are represented in a fair and transparent manner.

We have the below comments that are to be construed as collective feedback in response to this consultation paper.

The Pandemic has brought in immense disruption and most airlines are already in varying stages of distress, while this is a huge setback, it also presents an opportunity to undo the negatives of the past and look at business differently in the post pandemic environment.

Binding issues like concession fee should be abolished as these are pass through charges meant to acquire the right to conduct business. This is against ICAO policies and presents a negative business environment for the country as an investment destination.

The difference in charges between domestic operators and international needs to be balanced again as charges for international airlines is many times higher for the same services that both enjoy. The steep increases in landing & parking and UDF costs for international operators in the current proposal is an example of this disparity.

It is also imperative that landing & Parking charges be calculated on actual take-off weight (ATOW) rather than the current maximum take-off weight (MTOW). This would eliminate deficiencies and bring about a transparent metered or pay per use standard.

Traffic projections although uncertain presents a bleak picture, this again entails that all unnecessary expenditure must be kept in abeyance until the actual requirement surfaces.

The present terminal itself seems to be large enough to accommodate the current operations and the addition of a larger terminal, although a state of the art facility, will not be actually needed for the near future.

All public works like the multi modal transport hub, roadways, CISF housing and metro must be financed separately without the burden being imposed on airline or passenger.

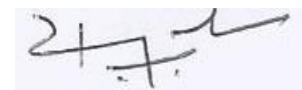
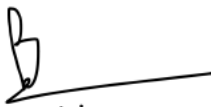
The current dispensation like many other concerned governments across the world must step in and help the industry recover. This could be in the form of waiver of concession fee and land lease costs or any other fee that the airport pays to the authorities. This grant would result in a pass through to airlines in the form of discounts and decreased charges.

The current discounts that are offered to airlines to help tide over the pandemic also needs to be appreciated and not accrued to the airport lest they be withdrawn and never offered again.

The AOC's position is that we need a moratorium on all increases for at least two more years after which a review can be undertaken and charges increased if justified, additionally we would like an environment where non aeronautical revenue is pursued vigorously and airline operators enjoy the subsidy that this would eventually create.

As a stakeholder in BIAL and partner in the progress of the industry, we request that our views expressed above be taken into consideration by the Authority at the time of issuing a final tariff order. We would be happy to provide any further clarification as and when required by AERA.

Thanking you



Samuel Prabhakar

Rajesh Menon

Bhaskar Mazumdar

Chairman

Secretary

Vice Chairman