



BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/04/2020-21

October 17, 2020

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

Subject: - Comments on AERA CP – 34/2020-21

Sir/Madam,

Please refer CP 34/2020-21 dated and subsequent discussions during stakeholders meeting last week.

Following comments are offered on CP 34/2020-21: -

- a) It is good to see AERA making its own traffic projections in during this unpredictable Covid time while referring to projected figure by CAPA and IATA. The passenger traffic would recover faster, as rightly estimated by AERA.
- b) Para 13.8. Allowing 'royalty', towards CUTE charges from ISP, needs to be looked into holistically by AERA, keeping in mind the government directive, issued through MoCA, in the beginning of the year, to abolish FTC, which was another 'royalty' charge on 'ATF'. AERA is, in the light of this government directive, need work for abolishing all types of royalties in 'aeronautical services'. 'Royalty' is basically the charge which is levied by owner/operator of the property (public airport in this case) without providing any services to the user of the place. It is a legacy of British times in India and, must become irrelevant in independent India.
- c) Table 47. 'Housing charges': Since 'housing charges' are double of the parking charges and levied on 'per hour basis for use of hangar facility at an operational public airports, it is mandatory for final AERA order to clearly specify 'housing charges' with annotation 'for parking for aircraft in hangar on per hour basis. This would help apply 'housing charges' at public airport when hangar facility are used for 'line maintenance or 'continuous airworthiness maintenance' activities of a currently flying aircraft. Presently 'housing charges' being determined by AERA are being confused with hangars meant for MRO work, which are to be leased for long duration of time.
- d) Table 51 at page 52. 'Ground Handling Charges' have not been determined in the CP. This is not as per AERA Act wherein 'Ground Handling' has clearly been defined as an aeronautical service at public airport. Here too, AERA is requested to make sure that no 'royalty' is allowed to be levied on ISPs providing GH services, especially on NSOP and Private aircraft operators. Since 'scheduled' operators' have fixed schedule and destinations are decided for six months period at a time, they mostly exercise the option of 'self-handling'. Airport operators, outsourcing GH services to ISPs, appoint GH agencies based on the 'highest royalty' offered in



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the bidding process. AERA is requested to fix GH charges on cost plus basis, and in scaled manner based on requirement of small aircraft operators, while allowing FROR as 14% to be charged by airport operator on accredited GH agencies, finally winning contract based on professional merit, through process of equitable distribution in a transparent and fair manner.

Finally, it is requested that, if 'authority' doesn't agree with any of the above comments, BAOA may please be given another opportunity for one to one discussions with AERA's officials before 'final CP' is issued by the 'authority'.

Thanking You

Yours faithfully

For **Business Aircraft Operators Association**

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