



04<sup>th</sup> Jul 18

To  
Secretary,  
Airports Economic Regulatory Authority of India  
AERA Building, Administrative Complex,  
Safdarjung Airport,  
New Delhi - 110003

Sub: Response to Consultation Paper No.05/2018-19 dated May 17<sup>th</sup> 2018 issued by the AERA in the matter of Tariff determination of Kempegowda International Airport for 2<sup>nd</sup> Control period

Dear Madam,

This is with reference to the Consultation Paper issued by AERA in respect of determination of aeronautical tariffs for the Kempegowda International Airport ("KIA"), Bengaluru. Airline Operators Committee, Bangalore (AOC, BLR) is associated with KIA as it represents all the passenger airlines that operate out of the airport. We would also like to highlight that our association represents the interests of all airlines – Indian and Foreign – operating at KIA and we also engage closely with the airport authorities in order to ensure that present and future needs of the airline are well represented and taken into account for all operational planning and projects. Hence, the role of AOC, BLR is very critical in ensuring that the airport is providing the environment which is conducive to efficient and safe airline operations and allows infrastructure for airlines to grow and develop their routes from Bengaluru.

In recent times, KIA has witnessed double digit growth in passenger traffic which is showing no signs of subsiding. To cater to this phenomenal growth, airlines are in constant need of additional infrastructure and upscaling of various facilities and services. The situation is actually worrisome now with average holding times of up to 20 mins resulting in vastly reduced customer experience on account of stretched infrastructure.

KIA is currently designed to handle a traffic of 20 MPPA and its infrastructure has already been stretched to handle close to 27 MPPA in FY 2017-18. The growth rate pattern would require substantial investments in capacity both on the airside as well as terminal side. Therefore, KIA's investments in airport infrastructure is critical for the growth of the entire aviation ecosystem in the region.

KIA has capacity expansion plans in terms of adding a 2<sup>nd</sup> runway, 2<sup>nd</sup> Terminal and other associated facilities and has submitted a proposal to AERA for approval of capex. We also understand that some capex projects are still under consideration by AERA and request AERA

to consider on need basis the important projects which are critical to the smooth running of the airport. Given the high growth in traffic and capacity constraints on airside and landside, it is important that these expansion plans are implemented in a timely manner to avoid congestion.

To ensure that capacity constraints at KIA do not adversely affect the growth of air traffic and subsequently the growth plans of airlines operating out of the airport, we would request AERA to support the airport's expansion plans.

We also request that tariffs be constant across control periods without the need to levy an inflated figure in the third control period, the proposed reduction in landing and parking fees is also very much appreciated by all member airlines.

As a stakeholder in BIAL and partner in the progress of the airport and the state of Karnataka, 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  
For Airline Operators Committee, Bangalore



Samuel Prabhakar  
AOC Chairman



Bhaskar Mazumdar  
AOC Vice Chairman

