



BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/04/2018-19

June 22, 2018

**Secretary,
Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport
New Delhi – 110 003**

Subject: - Comments on AERA Consultation Paper 05/2018-19

Madam,

Please refer the AERA Consultation Paper 05/2018-19. Following comments are offered.

- i) It is a welcome step on part of AERA to correct the past wrong practice of considering GH, FTC and Cargo Services as non-aeronautical. These services are aeronautical in nature and must be regulated by AERA.
- ii) As regard FTC, airport operators do not provide any facility directly to oil companies other than merely allowing access into airport. The land usage charges are separately paid by the oil companies.
- iii) FTC is just a fee for the right to sell or distribute aviation fuel and lubricant at airport. Before 2000, AAI used to charge only land rentals from oil companies. In 2001, a very small amount of Rs. 50/ KL was levied. Since this has not been regulated in the past, and being considered non-aeronautical services earlier, the charges got escalated as per mutually negotiated agreements between airport operators & oil companies. Here the airport operators exercise monopoly position and oil companies have no option but to pay.
- iv) It is the time AERA regulates FTC and standardise it between Rs. 100 to 150 per KL throughout India rather than allowing variable charges (Kolkata Rs. 1478.94 per KL, Bengaluru Rs. 1067.00 per KL, Delhi Rs. 688.00 per KL and Pune Rs. 112.1 per KL)

The oil companies should be advised, through Min of PNG, not to treat FTC as a pass-through charge and bill it to aircraft operators. Airlines do not enjoy the same monopoly position as the airport operator and to some extent even the oil companies.

We are available for further discussions/clarification on our above submissions to the Authority.

Thanking you

For **Business Aircraft Operators Association**

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