



Mr. Alok Shekhar,
Secretary
Airport Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi-110003.

DRD/58

Date: 22nd May, 2014

Dear Sir,

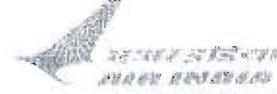
**Sub: Concerns of Air India with respect to proposed Aeronautical Tariffs
at Chaudhary Charan Singh International Airport, Lucknow.**

Please refer to Consultation Paper No. 01/2014-15 and relevant enclosures with respect to proposed increase in Aeronautical Tariffs at Lucknow Airport. During the stake holders meeting on 06.05.2014, Air India representatives expressed their concerns regarding certain issues relating to the proposed tariffs. We are appending below the concerns of Air India for your consideration:

1. The proposal of AERA is to have an uniform tariff rate for landing, parking charges etc. for domestic and international flights. Different Tariff for International and Domestic operations are being followed in many airports at present, such as Delhi, Amritsar, Jaipur etc. Even in Lucknow, existing tariff is segment wise. This basis of tariff fixation will result in steep hike in domestic flights to the extent of 90% to 120% and 17% to 32% for International flights. Considering that the domestic yields are different from international yields, the fixation of uniform rate for domestic and international flights, will put extra pressure on domestic operations and also operations to Lucknow Airport will become costly as compared to other domestic airports in India.
2. The proposed tariff for domestic sectors will result in the charges being higher than the applicable charges for similar type of aircraft at different airports, including IGI Airport, Delhi. For e.g. for A-320 aircraft, the current applicable charges at Delhi are Rs.22,315/- per landing and at Lucknow the proposed charges work out to Rs.27,820/-per landing as compared to the existing charges of Rs.14322/-. A comparative chart for Airbus fleet showing per landing charges at Lucknow vis-à-vis Delhi and other Airports is annexed for perusal.

In the light of the above, the proposal of AERA to apply uniform rate for domestic and international flights and the proposed steep hike for landing, housing and parking charges may please be reviewed.

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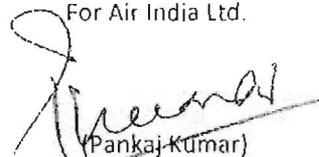


3. UDF is proposed to be introduced at Lucknow. UDF for domestic operations has been pegged at Rs.509/- per embarking passenger for 2014-15 which is on a higher side as compared to other recently renovated AAI airports such as Jaipur, Udaipur, Amritsar and Varanasi etc. where a more reasonable rate of Rs.150/- per pax is applicable. A reasonable rate of UDF for domestic passenger at Lucknow may please be considered.
4. It is suggested that AAI may explore the possibility of generating non-aeronautical revenue to partially take care of the increased costs at Lucknow so that lesser burden of the increased costs is passed on to the airlines and the passengers, which will make Lucknow airport cost effective for the airlines, enabling them to increase the frequency of operations to and from Lucknow, there by attracting more passengers.

For favourable consideration please.

Thanking you,

Yours truly
For Air India Ltd.


(Pankaj Kumar)
Executive Director -NR

Encl: as above

Air India
New Delhi

Proposed Revision of charges at Lucknow- Landing charges comparative chart

(i) Basis for charges :-

Delhi International Airport		Airports Authority of India-Lucknow		Airports Authority of India (All Airports)	
Wt of aircraft	Basis of charge(Domestic)	Wt of aircraft	Proposed Basis of charge(Domestic)	Wt of aircraft	Existing charges in AAI Airports including Luckow- Domestic
Upto 100 MT	301.55 per MT	50MT -100MT	16300+480 per MT in excess of 50 MT	Over 20000 Kgs	Rs 1848/-Plus Rs 231/-per Kg in excess of 20000 Kgs
Above 100MT	30155+405.26 per MT in excess of 100MT	Above 100 MT	40300 +545 per MT in excess of 100MT		

(ii) Per Landing charges :-

Type of aircraft	MTOW	Charges per Landing (Rs) (DIAL, Delhi)	Proposed Charges per Landing (Rs) (AAI Lucknow)	Existing Charges per Landing (Rs) (AAI Lucknow/other Airports)
A-319	68	20505	24940	12936
A-320	74	22315	27820	14322
A-321	89	26838	35020	17787