

**Federation of Indian Airlines**

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13 April 2012

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

ACM (ARMS)

Pb. Consolidate

Comments to

CP.

Q

13/4/12

OD
13/4/12

Sub: Comments and submission of the Federation of Indian Airlines (FIA) tendered in response to the Consultation Paper No. 1/2012-13 titled "Annual Tariff Proposal submitted by Indian Oil Skytanking Limited for providing Into Plane Services at IGI Airport, New Delhi."

Dear Madam,

This is further to your letter D.O.No.AERA/20010/MYTP-IOSL/ITP/DEL/2011-12/68, dated 03.04.2012 seeking comments/views etc., in respect of the proposal contained in Para7 of the aforesaid Consultation Paper. The FIA on behalf of its members is hereby placing on record the following submission (below), which has been arrived solely from discussions, deliberations and past experiences for the consideration by the authority.

1. Given the economic conditions prevalent in the aviation sector where the ATF prices have increased substantially over the last three years, any increased burden on the airlines by way of charges and/or fees will force them to pass the increased costs to passengers. Such increased cost which is passed to the passengers will adversely affect the passenger growth in India.
2. With effect from April 1, 2012, the government has hiked service tax rate from 10% to 12%, whereby the passenger fares have proportionately increased making the air travel expensive for the common man.

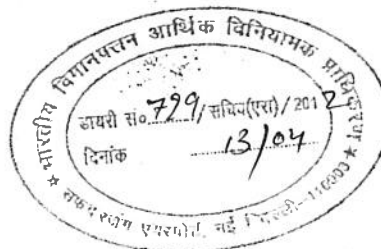
In view of the above concerns, any increase in the annual tariff by the IOSL would not be in the interest of the aviation industry and would lead to fall in the domestic air travel. Further the aviation sector is reeling under adverse financial conditions and it is, therefore, requested that such hike in charges and/or fees be deferred until such time the economic conditions improve in the aviation sector. FIA thereby request AERA to kindly take a note of the above submission and fix tariff in line with the need of the hour. Also respectfully crave leave to file any additional/supplementary response, if required at a later date.

Thanking you,

With best regards,

Ujjwal Dey
Ujjwal Dey

Sr. Executive Officer



OSD-II/39
13/04/2012