



23 October 2017

WITHOUT PREJUDICE

Secretary
Airports Economic Regulatory Authority (AERA) of India
AERA Building, Administrative Complex
Safdarjung Airport
New Delhi 110 003
Email: puja.jindal@nic.in

Dear Madam Jindal,

ADDENDUM: CONSULTATION PAPER No. 01/2017-18: TO CONSIDER THE MULTI YEAR TARIFF PROPOSAL AND ANNUAL TARIFF PROPOSAL (T1 TO T5) FOR THE SECOND CONTROL PERIOD IN RESPECT OF M/S INDIAN OIL SKYTANKING PRIVATE LIMITED (IOSL) FOR PROVIDING INTO PLANE SERVICES AT CSI AIRPORT, MUMBAI

IATA appreciates the opportunity to respond to the Addendum to Consultation Paper No. 01/2017-18 relating to into-plane services at CSI Airport (BOM) provided by M/S Indian Oil Skytanking Private Limited.

IATA is concerned about the continued upward trend in the costs to airlines for use of into-plane services in India. Already, the cost in India for use of into-plane services is on the higher end compared to other major airports around the world where competition in provision of such services exists. An automatic annual escalation in tariffs is not a sustainable scenario especially in light of growing throughput volume that produces economies of scale. IATA would urge AERA to thoroughly scrutinize the projected costs and revenues of the into-plane service providers to ensure that any proposed increase in tariffs is well justified.

IATA would also like to point out that the ability of the airport to raise land rent from Rs.1500/sq mtr to Rs.8127/sq mtr (an increase of over five times) from FY 2015-16 with annual escalation of 7.5% per annum is tantamount to an abuse of monopoly position. This significant increase in rent translates to the airlines unfairly paying a higher cost for necessary services related to air transport.

International Air Transport Association

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IATA urges AERA to curb such unreasonable practices by the airport and to consider such revenue derived from concessionaires involved in the provision of services related to air transport, as aeronautical revenue when determining airport tariffs.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Malvyn TAN", is positioned below the "Yours sincerely," text.

Malvyn TAN

Head, Commercial Fuel Services

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