

Ref. No. BAOA/AERA/11/2019-20
December 09, 2019

Secretary,
Airports Economic Regulatory Authority of India,
Safdarjung Airport
New Delhi - 110 003

AG/M (T)

10/12/19

Dr. A.B. Sarangi
10.12.19

8m. Kanti
12/12/19

Subject: - Comments on AERA Consultation Paper 11/2019-20 - Tariff Determination for M/s GGI at BIAL

Sir/Madam,

Please refer CP 11/2019-20 issued by AERA. Following comments are offered: -

Para 2.1 of CP : The quantum of 'concession fee' being levied by BIAL on M/s GGI has not been stated in the CP. Unreasonably high 'concession fee' by airport operator is the root cause of ever increasing GH charges, which are aeronautical services at public airports as per AERA Act. AERA is requested to immediately take corrective steps to rationalise quantum of 'concession fee' levied by the airport operator, in cases where GH services are outsourced to concessionaires. It is suggested to cap 'concession fee' at maximum of 15% of approved aeronautical charges, in line with average 'FROR' being accepted by AERA for public airports while fixing tariff. The present system of bidding undertaken by airport operators, for outsourcing GH services, results in unreasonably high 'concession fee' or 'royalty' being offered by the GH agencies. This is not in tune with AERA's philosophy of regulating tariff and ensuring performance standards. While capping 'concession fee' at 15%, the contract for GH services at public airports be awarded to accredited GH services providers offering lowest tariff matching global standards of IATA/ISBAH. However, in case of identical GH rates offered by two or more bidders, the award of contract be decided by draw of lots.

Para 2.5 of CP : Possibly due to levying of high 'concession fee' the profit margin dropped from 21% to 16% for FY 2018-19. This calls for rationalization of 'concession fee' levied by airport operator, as per our suggestion given in above paragraph.

Para 3.3 of CP : It is suggested that while following volume ATP determination, the authority may consider auto revision of tariff if variation is $\pm 5\%$ of the projected traffic. Further, as stated in para 2.5, discount, or 'adding up two different rates', for the same aircraft should not be allowed due to ICAO provision in this regard - for no discriminatory treatment between domestic and international operator. We are fully in agreement with Authority's observation in this regard.

We are available for any further clarification or discussions on the above.

Thanking you

For Business Aircraft Operators Association

Gp. Capt. Rajesh K. Bali (retd.)
Managing Director

भारतीय विमानपत्तन आर्थिक विनियमन प्राधिकरण
सफदरजंग एयरपोर्ट, नई दिल्ली-110003

प्राप्त

डायरी नं० 14659

तारीख 10/12/2019



Minutes of the Meeting

Agenda : Consultation paper discussion with all stakeholders for the annual tariff proposal for FY2019-20 & FY2020-21 submitted to AERA by GlobeGround India Pvt. Ltd. for Kempegowda International Airport, Bengaluru

Date: 09-12-2019

Venue: Taj Bangalore

Time: 15:00hr

Invitees BIAL, Air Asia India, Air Asia Berhad, Star Air, Air France, Air Arabia, AeroLogic, Lufthansa German Airlines, Gulf Air, DHL, SriLankan Airlines, KLM Airlines, British Airways, Oman Air, Qatar Airways, Nepal Airlines, Thai Air Asia, IATA, Business Aircraft Operators Association

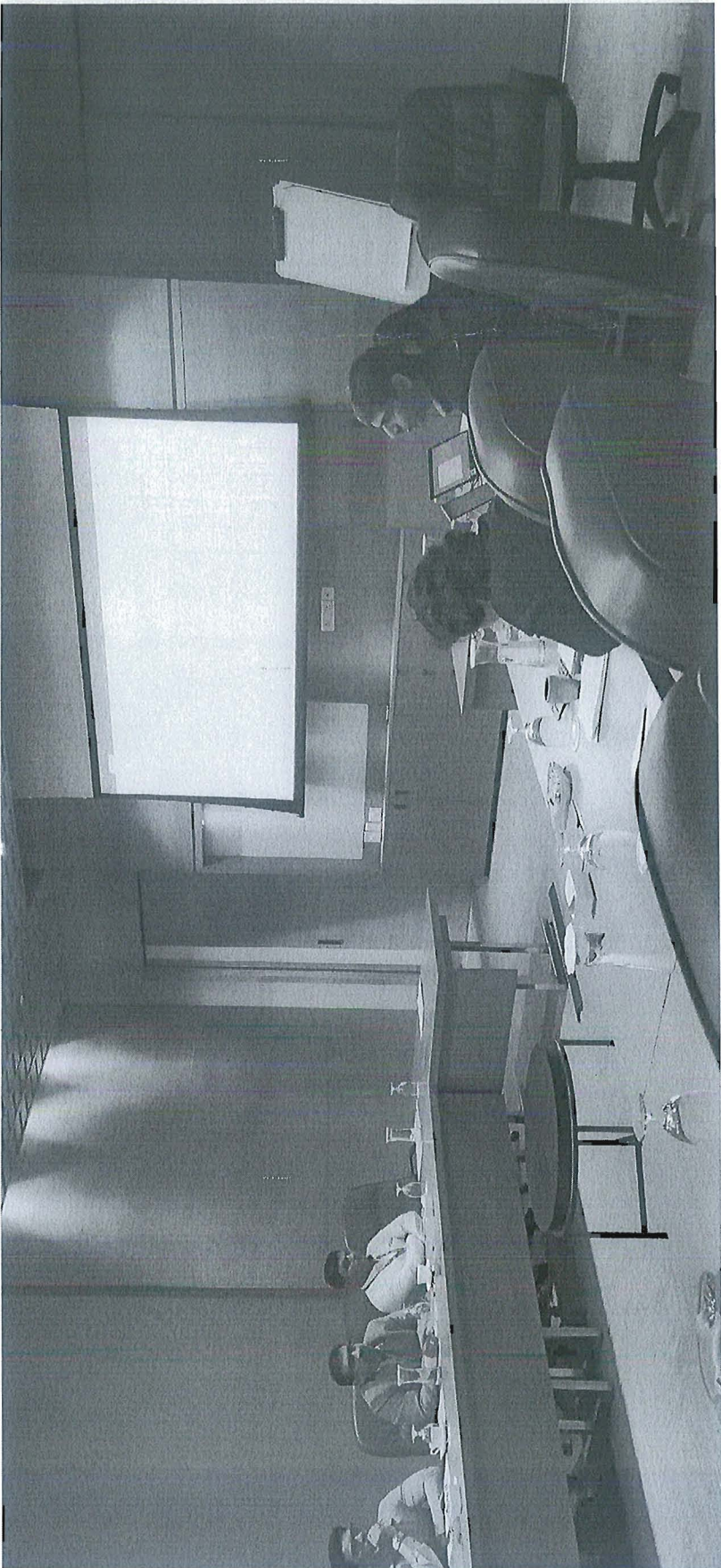
Attendees BIAL, Gulf Air, Air Arabia, SriLankan Airlines, Qatar Airways, British Airways, Aerologic, Star Air, Business Aircraft Operators Association

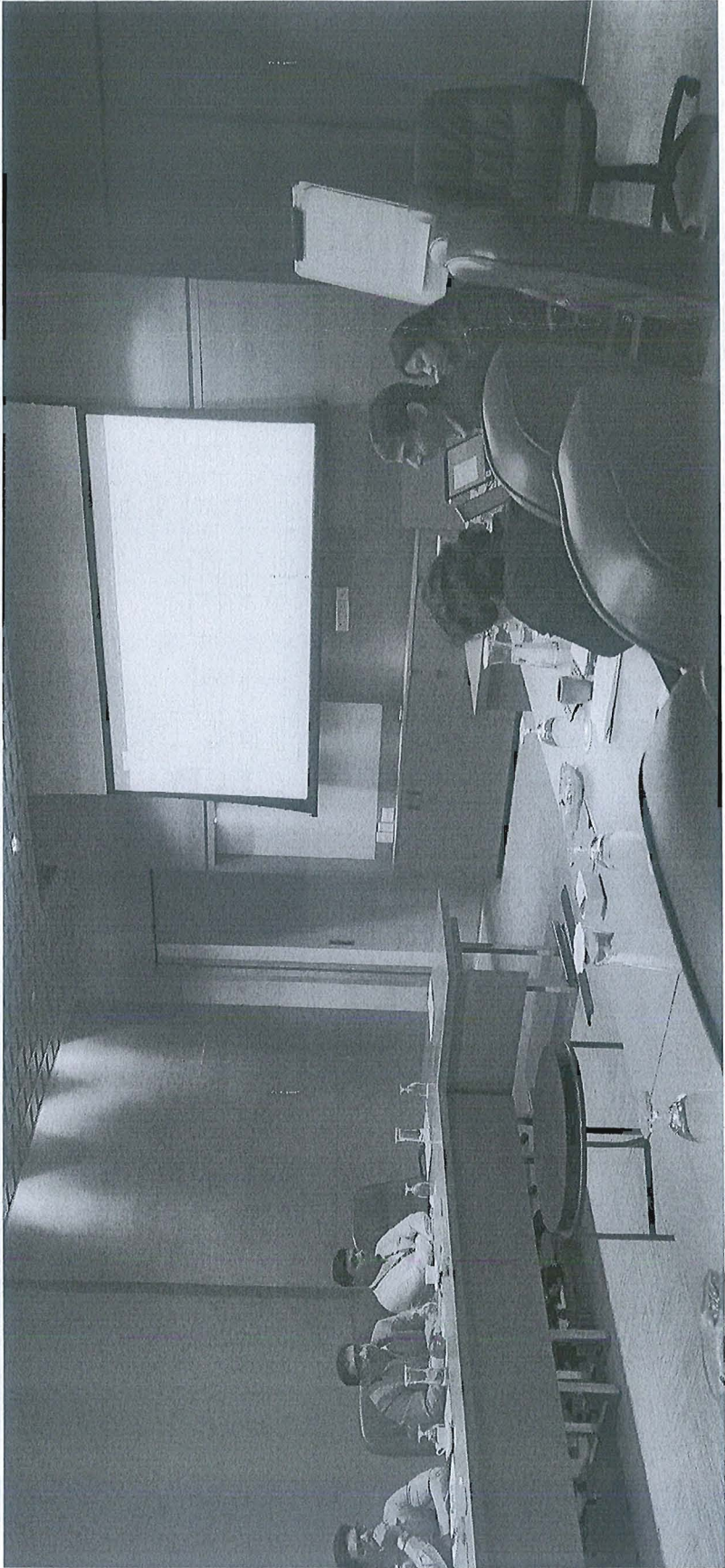
SL#	Points Discussed	Speaker	Response by GGI
1	GGI welcomed all the stakeholders and thanked them for joining the meeting to discuss the consultation paper on the ANNUAL TARIFF PROPOSAL FOR FY2019-20 AND FY2020-21 OF GLOBEGROUND INDIA PRIVATE LIMITED for Kempegowda International Airport, Bengaluru	GGI representative.	
	Powerpoint presentation was given to all stakeholders, to explain the basis for the proposed Annual Tariff filed with AERA and the differential method used by GGI was also explained.		
	A detailed explanation was given regarding the methodology used to derive the differential matrix (Volume based tariff) in the current filing		
	The explanation was also given for the bifurcation on the basis of the services provided as per the IATA SGHA namely section 1,2,3,4,6,7 and its divisions into comprehensive, partial and basic. An illustration was presented to provide detailed explanation regarding the methodology used and weights allocated to each section based on the weightage of the service in the entire turnaround handling process considering the resource requirement in terms of time and deployment		
	The benefits of the current filing was also presented which includes frequency inclusion and service bifurcation.		

2	It was enquired regarding the difference between partial & basic services	British Airways Representative	A detailed explanation was provided by presenting an illustration for the service bifurcation as per standard ground handling contract and respective weight allocation
3	It was enquired if any new service can be availed later after finalization of the contract	Gulf Air Representative	Explanation was given that any new service can be added to the existing list of services.
4	It's observed that there is an increase in the current filing compared to the last	British Airways Representative	It was explained that filing was done by GGI in 2012 and is still ongoing (from last 7 years). It was advised that we have done our filing post re-award of the contract at Bengaluru in 2018.
5	It was enquired from the gathering if the said concept as explained is agreeable	GGI representative	No objection was raised
6	It was enquired if there are separate tariff for Passenger and Freighter aircrafts	Aerologic representative	It was explained that there is separate a tariff for Passenger and Freighter aircrafts. For Freighter there is further bifurcation considering the transit flights.
7	It was enquired which approach has been used to determine the tariff: Soft Touch approach or Cost Plus approach.	Business Aircraft Operators Association Representative	It was explained that tariff is prepared and filed as per the guidelines laid down by AERA
8	It was enquired if this concept (Volume based tariff) is applicable at any other airport	Air Arabia Representative	It was clarified that this methodology was conceptualised by GGI and currently approval is being sought for GGI (Bengaluru).
9	It was enquired regarding the submission of feedback		It was informed that the feedback to be submitted to AERA directly by 10th December 2019
10	It was advised that there are no doubts with regards to the methodology and feedback will be submitted by the airline head quarter.	Gulf Air Representative	
11	Meeting ended with a thank you note.		









M/s GlobeGround India Pvt. Ltd.

Stakeholder Consultation Meeting with Trade bodies and Users

Subject: To Discuss Annual Tariff Proposal for FY2019-20 & FY 2020-21- Reg.

Date: 09-Dec-19

Venue: Taj Bangalore, Bengaluru

Time: 1500hrs

Attendance Sheet:

Sr. No.	Name	Designation	Representation From	Email ID	Signature
1	GIRI MOHAN	AIRPORT MANAGER	GULF AIR	g.mohanan@ Gulfair.com	
2	MOHAMMUDIN AHMED	AIRPORT MANAGER	AIR ARABIA	ahmedm@airarabia.com	
3	ARUN CHANDAN	AIRPORT MANAGER	BIAL	arun.chand@bialairport.in	
4	SAVITA E	Regulatory Consultant	BIAL	Savita@bialairport.in	
5	KAT SUDHAK	AIRPORT MANAGER	SRI LANKAN AIRWAYS	rsrapt@srilanka.lk	
6	MILIND SATARDEKAR	ASIS	QATAR AIRWAYS	birkkqr@in.qatarairways.com	
7	KESHMA MISHRA	APM	BRITISH AIRWAYS	reshma.mishra@ba.com	
8	PRIYESH K V	CSO INDIA	AEROLOGIC GmbH	Priyesh.KV@aerologic.com	
9	JULIAN D SAUZA	BACA Rep.	BACA	jvp@tlyjagites.com	
10	VENKAT A	Airport Manager	STAR AIR	venkata.krishnan@starair.in	
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