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# CAMBATA AVIATION PVT. LTD.

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September 14, 2010

Shri Sandeep Prakash  
Secretary  
Airports Economic Regulatory Authority of India  
AERA Building,  
Administrative Complex,  
Safdarjung Airport, New Delhi 110003

15/9/10

Re: Order No. 05/2010-11 – Comments on approach of consultation paper

SM (ARBS)

Dear Mr. Prakash

Pl find to PUC

Thank you for the opportunity to comment on the above draft document.

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15/9/10

Whilst Cambata's operation is only out of the "material but competitive" group of Mumbai and Delhi International Airports, we would wish to make the following comments for your consideration when formulating the final regulation:

1. Consideration by the authority has to be made in regard to the cost to the service providers in light of the large amounts of deposits, in both cash and Bank Guarantees, made to the various airport operators as a condition of the tender award.
2. That the nature of the environment in these two airports is self-regulatory by way of market forces in both the cargo and ground handling aspect. All ceiling prices have been published and current rates are hovering approximately at 75% of these, demonstrating the commercial pressures of competition without regulation.
3. In light of the special status of Air India in these airports (either under NACIL or the JV Air India/SATS), some independent mechanism should be introduced to ensure that they are competing on a "level playing field" with other service providers. Any special arrangement in this regard could be construed as anti-competitive.
4. Where the airport operators compete with other service providers, a system has to be put in place to ensure they are acting in the commercial arena without any special financial considerations.
5. Although not in the remit for this order, a process has to be formulated to keep the airport infrastructure charges (rents, communications etc.) in line with current market rates. If left unregulated, this will have an adverse effect on the intent of this regulation.

Again, thank you for this opportunity and hope the above comments are helpful in the final regulation.

Yours sincerely,

A P Casserly  
Chief operating Officer  
Cambata Aviation Pvt. Ltd.

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