



**Reliance**  
Industries Limited  
Petroleum Business

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RIL/ ATF/ AERA

31<sup>st</sup> August 2010

**Shri Sandeep Prakash**

Secretary

Airports Economic Regulatory Authority of India,

AERA Building

Administrative Complex

Safdarjung Airport, New Delhi 110 003

Dear Sir,

**Subject : Draft "The Airports Economic Regulatory Authority of India (Terms and Conditions for Determination of Tariff for Services Provided for Cargo Handling and Supply of Fuel to the Airport)"**

Reference to the letter F. No. AERA/ 20019/CGF-G/2009-10/601 dated 2<sup>nd</sup> August, enclosing the above Draft guidelines, we are providing our feedback, comments on the same :

AERA is proposing to regulate the tariff for aeronautical services at major airports, which includes services relating to supplying of fuel to the aircraft at an airport.

This aircraft refueling service at major airports is presently being done by either –

- 1) Fuel Supplier or ,
- 2) Independent service provider or,
- 3) Airport operator

In all the above cases, it may be noted that, the airlines are not paying any separate "service charges" for availing these fuelling services from ATF suppliers. These charges are being computed as part of fuel cost and are being billed to the airlines by the ATF suppliers.

ATF price at any airport constitutes following:

- 1) Product price including the costs incurred in storage, handling and into plane services at the airport
- 2) Charges paid by ATF supplier at the airport
- 3) Duties & taxes extra

The charges paid by ATF suppliers at each of the major airports is being done through a commercial agreement between ATF suppliers and Airport Operator or Service provider. We are giving details of present arrangement of these charges being paid at the major airports which are under purview of AERA, as Annexure A.

**Clarifications:**

- 1) If the Airlines are not paying or not being billed separately for the charges being collected at Airport, then how would AERA regulate these charges/ tariffs?

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- 2) How will AERA regulate these charges/tariffs when these are being governed by a commercial contract between the parties?
- 3) Will AERA regulate the tariffs for those commercial contracts which have been finalized after competitive bidding process?
- 4) If AERA proposes to regulate these charges/tariffs, then all the Parties who are collecting these charges including Private Airport Operators or Airports Authority of India should be subjected to similar guidelines so that arbitrary levy or increase in these charges by the Airport Operators can be prevented.

Thanking you,

For Reliance Industries Limited

S. Mohanty  
Head – ATF Business

Encl a/a



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Sr. No.	Airport	Charges collected from ATF Suppliers at Airport			Charges paid to
		Fixed Charges (Rs Lacs)	Variable Charges (Rs KL)	Other Charges	
1	Delhi		1549		JV
2	Mumbai				MIAL
3	Hyderabad (New Airport)				GHIAL
4	Bangalore ( New Airport)				IOSL
5	Chennai				AAI
6	Kolkata				AAI
7	Cochin				BPC
8	Ahmedabad	528			AAi
9	Trivandrum				AAI
10	Goa				AAI
11	Guwahati	329			AAI
12	Pune				AAI
13	Jaipur				AAI
14	Calicut				AAI

Airport Driving Permit, Vehicle permit Charges, Telecommunication charges etc