



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

By email sandeep.prakash@aera.gov.in

28 September 2010

Dear Shri Prakash,

I write in respect of the recently issued consultation paper regarding the revision of fuel throughput charges by airport operators in India with effect from 1st April 2010. Virgin Atlantic welcomes the opportunity to provide comments and wishes to take the opportunity to fully endorse IATA's recent submission (dated 28 September 2010) on behalf of the international airline community.

Whilst Virgin Atlantic welcomes AERA's scrutiny of this matter, Virgin Atlantic strongly opposes AERA's proposal to approve the revised Fuel Throughput Charges and allow DIAL to increase fees by 5% with effect from 1st April 2010.

Virgin Atlantic questions the cost relatedness of the fuel throughput charge, which as IATA states is more accurately described as a concession fee. Virgin Atlantic queries if the airport has appropriately justified the increases and undertaken adequate consultation with airlines. Without a thorough and robust consultation process, Virgin Atlantic does not accept that the airports should be permitted to recover the increase. As stated by the Authority in its consultation paper, the charges are negotiated between the access provider and the access seeker. Virgin Atlantic questions the degree of commercial discipline to reduce charges in this relationship, where any increase would be passed through. In addition, whilst the Authority states that any revenues from such charges will be considered as part of the price cap calculation, Virgin Atlantic considers that these inputs to the price cap calculation should not be considered in isolation, in advance of the setting of the price cap.

Based on the above, Virgin Atlantic urges the Authority to not approve the proposed increases to the Fuel Throughput Charge.

Yours sincerely,

A handwritten signature in cursive script that reads "G. Kwaszenko".

Georgina Kwaszenko
Manager, Competition and Economic Regulatory Affairs