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29th September 2010

Shri Sandeep Prakash
Secretary
Airports Economic Regulatory Authority of India
AERA Building
Safdarjung Airport
NEW DELHI 110003, INDIA

Dear Shri Prakash,

Re: Review of Airport Fuel Throughput Fees - Consultation 06/2010-11

Emirates appreciates the opportunity to make a submission to AERA on the proposal to revise fuel throughput charges by multiple airport operators with effect from 1 April 2010.

The proposed fuel throughput increases are a significant issue for Emirates as one of the largest international airlines operating over 100 flights per week through 10 airports in India.

Emirates strongly opposes any fuel throughput charge that is not directly related to the efficient costs of providing an airport fuel facility. No cost recovery related justification has been provided for the current fuel throughput fee or the proposed increases.

The consultation paper dated 14 September 2010 proposes a retrospective tariff increase on fuel throughput levies on the basis of previous agreements entered into between the various Airport Operators and Oil companies. AERA would be aware that Oil companies treat airport fuel throughput fees as a 'pass through' charge rather than forming part of the commercially negotiated fuel price. An oil company would have little incentive to negotiate the level of throughput fees given that they do not form a direct operating cost of the oil company and the primary concern of the oil company is access to the airport.

Emirates is given no opportunity to commercially negotiate these airport throughput fees and was never afforded any opportunity to participate in the process that established the throughput fees or their escalation mechanism. This situation highlights the requirement for robust regulatory oversight.

Emirates requests AERA reject any increase to fuel throughput levies.

Yours sincerely,


Saeed Mohammed
Divisional Senior Vice President - Procurement & Logistics

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