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RIL/ ATF/ AERA

27th Sept 2010

Shri Sandeep Prakash

Secretary

Airports Economic Regulatory Authority of India,
AERA Building,
Administrative Complex,
Safdarjang Airport,
New Delhi 110 003

Dear Sir,

Subject : Consultation Paper No. 06/2010-11- "Revision of fuel throughput charges by airport operators with effect from 1st April 2010"

Reference to the above consultation paper, we are providing our feedback, comments on the same:

- 1) We would like to bring to your kind notice that airport operators are getting revenue from aviation fuel access charges being charged to fuel suppliers. These charges includes –
 - a. Land rentals based on per square meter area ,
 - b. Throughput charges based on the quantity of fuel delivered to airlines and,
 - c. Other miscellaneous fees including fee for entry permits provided to staff and vehicles

These aviation fuel access charges will also become part of passenger yield cap calculation for an airport by AERA and hence should be brought under purview of AERA. Airport operators should be permitted to levy or revise the land rentals, throughput charges and other miscellaneous fees only after obtaining approval from AERA.

- 2) Presently airport operators are charging different rates for entry permits for staff and vehicles of fuel suppliers. These fees are recovery of administrative expenses and should not become a source of revenue. Hence should be uniformly charged across all airports irrespective of the airport operator.





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- 3) It has been found, in few instances that at the same airport , fuel suppliers are made to pay different land rentals and throughput charges to the airport operator. This differentiation in charges is leading to discrimination and unhealthy competition among fuel suppliers at the airport. We would like to submit that AERA should direct airport operators to recover land rentals, throughput charges at a "uniform rate" at any given airport from all the fuel suppliers. These rates shall be non-discriminatory and binding on all the fuel suppliers irrespective of commercial arrangement between operator and fuel supplier.

We request the above points to be considered and incorporated suitably while formulating the Order on this subject.

Thanking you,

Yours Sincerely,

For Reliance Industries Limited

S. Mohanty
Head – ATF Business