



5 February 2023

Director Policy & Statistics,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex,
Safdarjung Airport, New Delhi – 110003,
INDIA

Via email: director-ps@aera.gov.in; rajan.gupta1@aera.gov.in
cc secretary@aera.gov.in

Dear Sir,

**IATA COMMENTS ON AERA'S CONSULTATION PAPER FOR DETERMINATION OF AERONAUTICAL
TARIFF FOR BHUBANESWAR INTERNATIONAL AIRPORT (BBI) FOR THE SECOND CONTROL PERIOD**

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 320 airlines or 83% of the world's air traffic. Many of our member airlines operate in the Indian market including Air India, IndiGo, SpiceJet, and Vistara. We support many areas of aviation activity and help formulate industry policy on critical aviation issues.

We appreciate and thank AERA for its due diligence in reviewing the proposal by AAI for Bhubaneswar International Airport. We are largely in agreement with the proposed adjustments by AERA. Some additional points/suggestions for consideration by AERA:

- For the First Control Period, 89% of approved CAPEX was not incurred given the challenges in the last few years. However, this further demonstrates the need for ongoing consultations with users to validate the business case and the phasing of the investments and monitor progress, including decisions to defer or cancel.
 - We support AERA's call for an AUCC to be conducted to review the proposed CAPEX items in the CP, reiterating the importance of ongoing consultations as highlighted in the point above.
- We would like to reiterate our position on the need for more objective measurement of Service Quality Levels. In addition to ASQ, which is survey-based and subjective in nature, we request Airport Operator to share the targets and actual performance of the metrics that are being monitored, similar to the requirements imposed on PPP airports. This would be very useful in validating the service level and delivery of the envisaged outcomes for the investments. We understand that under the AERA Act, AERA has the authority to call for further information necessary for its assessment.
- The proposed tariff increases in the Second Control Period are still very significant, despite the review and adjustments by AERA. We respectfully request for further moderation, wherever possible, by deferring some of the recovery to the next control period. The higher charges could



also have an adverse impact on the project traffic growth, which could lead to less overall revenue against the projection, requiring further true-up in the Third Control Period.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Amitabh Khosla".

Amitabh KHOSLA
Country Director - India

khoslaa@iata.org

cc Richard Tan, IATA Regional Manager Operations, Safety and Security – Asia Pacific