



BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/03/2024-25

February 25, 2025

Airports Economic Regulatory Authority of India (AERA)
3rd Floor, Udaan Bhawan
Safdarjung Airport
New Delhi -110003.

Kind Attn: Shri S.K.G. Rahate, Chairperson

Subject: Comments on AERA CP 07/2024-25

Dear Sir,

As expressed during the stakeholder meeting on 16th February 2025, we would like to reiterate key points essential for the efficient and sustainable development of not only DIAL but all public airports in India.

Credit Rating & User Development Fee (UDF) Strategy:

It is crucial for our airports to maintain a strong credit rating, which enhances their credibility in the international market. If higher UDF rates during the initial 2-3 years of MYTP contribute to building this credibility and ensuring financial stability for the airport operator, it would be a prudent approach. Therefore, we support the proposal for phased implementation—where higher UDFs are introduced initially to support capital investments and loan repayments, and then gradually reduced in subsequent years once financial health improves. This ensures a balanced approach while keeping the actual impact on users relatively moderate, as the increase would still keep the UDF aligned with national averages among major public airports in the country.

Additionally, we support a dynamic UDF pricing model that considers variations based on:

- Arriving vs. departing passengers
- Domestic vs. international flights
- Peak-hour vs. non-peak-hour operations
- Economy vs. business class travel

A flexible pricing model would ensure equitable contributions from different passenger segments while improving revenue optimization for airport operators.



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2. Transparent & Efficient Slot Allocation:

To enhance operational efficiency, maximize aeronautical tariffs, and ensure equitable access for all users, including non-scheduled operators, we strongly recommend that slot allotment be conducted online in a transparent, judicious, and structured manner. Implementing an online system will not only optimize slot utilization but also promote fair and efficient access for all stakeholders at busy public airports.

We appreciate your consideration of these points and look forward to their implementation. It is essential that all stakeholders remain engaged to ensure growth and optimal utilization of our airports. By adopting this visionary approach, we can create a win-win situation for all, fostering sustainable and inclusive progress in India's aviation sector.

Yours faithfully

For **Business Aircraft Operators Association**



Gp. Capt. Rajesh K. Bali (retd.)

Managing Director