



BUSINESS AIRCRAFT OPERATORS ASSOCIATION

Ref. No. BAOA/AERA/01/2025-26
April 01, 2025

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

Kind Attn: Chairperson, AERA

Subject: Comments on Consultation Paper (CP) No. 08/2024-2025 for Determination of Multi-Year Tariff at CSMIA, Mumbai

On behalf of the Business Aircraft Operators Association (BAOA), we appreciate the opportunity to submit our comments on Consultation Paper CP-08/2024 regarding the determination of the Multi-Year Tariff (MYT) at Chhatrapati Shivaji Maharaj International Airport (CSMIA), Mumbai, for the upcoming control period. As a key stakeholder in the aviation sector, we emphasize the need for a fair, transparent, and growth-oriented tariff framework that ensures a balanced approach between the commercial interests of the airport operator and the operational sustainability of its users.

Further to the comments made during the stakeholder consultation meeting held on 25th March 2025 at the Indian Aviation Academy, Delhi, we submit the following key concerns for AERA's consideration and appropriate action before finalizing the tariff structure for CSMIA:

Proposal to Build a General Aviation (GA) Terminal at CSMIA

On behalf of the Business Aircraft Operators Association (BAOA), we reiterate our strong objection to the proposed General Aviation (GA) Terminal at CSMIA as a non-aeronautical asset, which is legally untenable and fundamentally flawed. The most critical concern for General Aviation (GA) and Business Aviation (BA) operators at CSMIA has been the acute shortage of parking stands – a longstanding issue that remains unaddressed. Despite this persistent challenge, no AUCC meeting has been convened to discuss additional GA parking, nor have any new GA parking stands been developed over the last 13 years. It is wholly unjustifiable that MIAL is now pursuing a GA Terminal instead of prioritizing the expansion of GA parking infrastructure, which directly impacts safety and operational efficiency.

Moreover, penal parking charges, introduced by AERA in 2012 as a temporary deterrent due to safety concerns, were imposed without explicit approval from the safety regulator (DGCA). Instead of serving their intended purpose, these charges have been converted into a revenue-generating mechanism for MIAL. BAOA's appeal against these charges remains pending before the Hon'ble Supreme Court, yet the charges continue unabated. It is imperative to highlight that the revenue accrued from these penalties should have been systematically reinvested in additional parking slots, rather than being diverted towards a, not so urgent, GA Terminal.

Additionally, the classification of the GA Terminal as a non-aeronautical asset is legally untenable and contradicts established regulatory principles. Unlike scheduled airlines, non-scheduled operators are not allowed self-ground handling due to security regulations, making this



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categorization fundamentally flawed. AERA must reject this misclassification to ensure regulatory compliance in asset categorization.

We are also copying these comments to DGCA, urging that penal parking charges must not become a permanent revenue model at a public airport. The continued imposition of these charges for over 12 years – without any initiative to resolve the underlying safety concern of inadequate parking – sets a dangerous precedent.

In the interest of operational fairness, regulatory compliance, and safety, BAOA strongly urges AERA to reject the GA Terminal proposal in its current form and mandate the development of additional GA parking capacity as the immediate priority at CSMIA.

Relocation of Parking Arrangements for Mumbai-Based Operators

The proposed redevelopment at CSMIA includes the relocation of existing GA/BA operators who use Mumbai as their home base. While infrastructure development is necessary, it must not come at the cost of displacing operators without viable alternatives or imposing undue financial burdens on them.

We emphasize that:

- Any temporary or permanent relocation of GA/BA operators must be accompanied by a viable, operationally efficient alternative, provided at no additional cost to the operators.
- The cost of relocation must be borne by the airport operator as part of the redevelopment plan, rather than being unfairly transferred to GA/BA operators.
- Longstanding CSMIA-based operators must not face operational disruption or financial penalties due to airport redevelopment.

With Navi Mumbai International Airport (NMIAL) planning dedicated parking bays for Mumbai-based GA/BA operators, AERA must ensure that CSMIA's redevelopment plan aligns with NMIAL's infrastructure development. The transition for affected operators must be seamless, cost-neutral, and operationally efficient.

Any attempt to impose additional costs on GA/BA operators under the pretext of relocation would be legally indefensible and could invite regulatory and judicial scrutiny. We urge AERA to explicitly prohibit any cost burden on operators resulting from redevelopment activities at CSMIA.

Legal Position on Categorization of Ground Handling (GH) and Cargo Charges

The ongoing legal dispute between MIAL/DIAL and AERA over the categorization of Ground Handling (GH) and Cargo Charges – whether aeronautical (as per the AERA Act) or non-aeronautical (as per OMDA) – raises fundamental regulatory concerns.

It is critical to note that:

- The AERA Act, enacted by Parliament in 2009, is a binding statutory framework governing airport economic regulation.



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- OMDA, merely an interim contractual arrangement, was approved by the Union Cabinet before the enactment of the AERA Act.

MIAL and DIAL must align with the statutory provisions of the AERA Act, ensuring uniform regulatory compliance across all public airports developed under the PPP model. Contractual provisions under OMDA cannot override Parliamentary legislation, and continued reliance on outdated contract-based classifications is legally untenable.

At the same time, AERA must assure airport operators that its regulatory framework will:

- Safeguard public interest, ensuring fair pricing and accessibility.
- Enhance operational efficiency, promoting sustainable industry growth.
- Protect the financial viability of PPP airport operators, maintaining investor confidence.
- Ensure the committed Fair Rate of Return (FROR) on investments, in line with established regulatory norms.

A balanced regulatory approach will ensure that operators comply with legal requirements, while their long-term financial sustainability is maintained.

Conclusion & Request for Consideration

In light of the above, we strongly urge AERA to:

- Reject the proposal for a GA Terminal at CSMIA in its current form.
- Ensure cost-free relocation of Mumbai-based GA/BA operators, aligned with NMIAL's infrastructure development.
- Uphold legal clarity in categorizing ground handling and cargo charges, strictly in accordance with the AERA Act.

A well-structured and legally sound tariff framework will enhance operational efficiency, promote fair pricing, and foster sustainable industry growth – while maintaining a delicate balance between regulatory oversight and commercial viability.

We appreciate AERA's time and consideration and look forward to continued engagement on these matters.

For **Business Aircraft Operators Association**


Gp. Capt. Rakesh K. Bali (retd.)
Managing Director

Copy: - **Shri Faiz Ahmed Kidwai, Director General, DGCA**
Shri Maneesh Kumar, JDG, DGCA
(With a request to address the safety issue concerning congested parking at MIAL.)



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Ref. No. BAOA/AERA/02/2025-26

April 16, 2025

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

Kind Attn: Chairperson, AERA

Subject: Additional Comments on Consultation Paper (CP) No. 08/2024-25 – Interim Parking Charges at NMIAL during Development and Upgradation of GA Facilities at CSMIA

Respected Madam/Sir,

This is in continuation of our earlier submission dated 01 April 2025 made on behalf of the Business Aircraft Operators Association (BAOA) in response to Consultation Paper (CP) No. 08/2024-25 dated 10.03.2025 ("Consultation Paper").

In light of the proposed development and upgradation of General Aviation (GA) infrastructure at Chhatrapati Shivaji Maharaj International Airport (CSMIA), and the anticipated commencement of operations at Navi Mumbai International Airport (NMIAL) from June 2025, it is critical to ensure a harmonized and coordinated operational framework between these two public airports serving the same metropolitan region.

On behalf of GA operators, BAOA would like to submit the following additional comments:

National Civil Aviation Policy 2016 (NCAP)

The NCAP aims to create a conducive ecosystem for the harmonized growth of all aviation sub-sectors, including General Aviation. The Ministry of Civil Aviation (MoCA) has outlined its intent to support GA growth with a regulatory regime aligned with the nature of operations and international best practices.

OMDA Provisions

As per Clause 8.3 of the OMDA, the Master Plan must be periodically updated and submitted to AAI for information and to MoCA for review. Clause 8.5 outlines MIAL's responsibility to provide all aeronautical and non-aeronautical services at CSMIA. Clause 8.5.7 requires that MIAL adopt fair, reasonable, and non-discriminatory practices in granting sub-contracts and in pricing policies.

Schedule I of OMDA also mandates that terminal design and development must allow incremental expansion with minimal disruption to ongoing operations.

Stakeholder Consultation

According to Appendix 1 of AERA's Tariff Guidelines, 2011, and CAR Section 4 Series B Part I, airport operators are required to consult stakeholders from the need-identification stage onward. BAOA has not been provided with information on the options under consideration, nor was it invited to any Airport Users Consultative Committee (AUCC) meeting referenced in the Consultation Paper.



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CAR Section 8 Series S Part VIII issued by DGCA also recognizes parking as a critical phase of flight operations.

Master Plan 2024

We note from the Consultation Paper that MIAL submitted a revised Master Plan to AAI and MoCA in September 2024, proposing significant capacity expansion. However, this Master Plan has not been shared with BAOA, despite its status as a key stakeholder representing GA operators. The views of MoCA on this plan also remain unknown to AERA, as noted in the Consultation Paper.

Some of the proposed projects include:

- Additional parking stands on the southern side of RWY 09-27
- Additional parking adjacent to Apron J
- Construction of taxiways parallel to RWY 14-32 and TWY W1

A review of the Consultation Paper and the CSMIA Grid Map indicates that these taxiways are located far from the GA parking stands and do not impact existing GA hangars. Moreover, MIAL's stated rationale for cancelling GA parking—based on these projects—is not supported by any reference to such works in the Consultation Paper or the Master Plan.

Additionally, the recarpeting of RWY 09-27, as per the Master Plan, is scheduled only for May 2028.

Para 6.3.59 of the Consultation Paper mentions that MIAL has initiated steps to shift GA hangars to NMIAL. We wish to draw attention to AAI's letter dated 30.01.2025 to AERA, which clearly states that no development not envisaged in the approved Master Plan may be undertaken, as per Article 8.3.7 of OMDA.

Parking Charges and Transition

Given the historical congestion at CSMIA and the imminent start of NMIAL operations in June 2025—while dedicated GA infrastructure at CSMIA is only expected to commence construction by August 2025—we submit the following:

- **Interim Alignment of Charges:** Parking charges at NMIAL during this transition period should be aligned with prevailing rates at CSMIA to ensure parity and operational continuity.
- **Cost-Free Relocation:** As represented by MIAL in the Consultation Paper, relocation of Mumbai-based GA operators to NMIAL should be undertaken at the airport operator's cost, not that of the operators. If parking is cancelled at CSMIA without suitable arrangements, GA operations will be severely disrupted.

Maintaining aligned parking charges during this phase will minimize operational disruption for Mumbai-based GA operators and support a seamless redistribution of aircraft operations between the two airports.

We further request that once final tariffs for NMIAL are notified by AERA, the revised charges be applied prospectively, allowing adequate time for operators to adapt without abrupt financial burden.



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Such measures will ensure operational stability, commercial predictability, and fair access to infrastructure for GA operators during this critical transition.

We also urge the Authority to seek necessary clarifications from relevant stakeholders in view of the above submissions.

It is respectfully submitted that the maintenance and operations of GA aircraft—including movement, parking, control facilities, and hangarage—constitute Aeronautical Services in every practical sense.

BAOA reserves the right to submit additional comments in this matter as may be required.

For **Business Aircraft Operators Association**



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

Copy to: Secretary, Ministry of Civil Aviation
Joint Secretary (DT), Ministry of Civil Aviation