

ASSOCIATION OF PRIVATE AIRPORT OPERATORS

Regn No. S/64468/2009

Srinivas Bommidala
President

R.K. Jain
Vice President

Satyan Nayar
Secretary General



APAO/CP-32-2012-13/

Dated: 19th December 2012

Capt. Kapil Chaudhary,
Secretary,

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

**Subject: Review of levy of Development Fee at Indira Gandhi International Airport,
New Delhi**

Dear Madam,

A kind reference is invited to the AERA Consultation Paper No. 32/2012-13 dated 12th December 2012, seeking comments on the review of levy of Development Fee at Indira Gandhi International Airport, New Delhi. The comments of APAO on the above Consultation Paper are as follows:

We appreciate AERA for bringing out this comprehensive Consultation Paper on ADF review of DIAL. AERA in this Consultation Paper has tentatively decided to reduce the rate of DF levy to Rs 100 per embarking domestic passenger and Rs 600 per embarking International passenger with effect from 1.1.2013 instead of determined earlier as Rs 200 and Rs 1300 thereby resulting in a 50% reduction in the ADF fee. With the proposed decrease in charges, the period of DF levy will be continued for a period of 40 months upto April 2016, to recover the funding gap. Even though this proposal will result into further financial stress for DIAL, yet we support AERA on this proposal taking into account that it is in the overall interest of the Air travelling passengers.

The proposal to reduce the rate of DF levy has been moved by AERA with an intention to make Air travel more affordable. However, we are apprehensive of the fact whether this reduction in ADF would actually translate into reduction in Airfare to the passengers. The concerned Authorities must ensure that the reduction in ADF on account of this proposal must be translated into price reductions and the entire benefit must go to the passengers. There must be a clear reduction in ticket price on this account and no adjustment must be permitted to nullify this reduction in any manner otherwise this entire exercise will have no positive impact if the full benefits of this reduction does not reach the passengers.

Even though the proposal will burden DIAL to a great extent, we support this proposal of the Authority since it is being proposed with an intention to enhance the consumer welfare. This is without prejudice to any further comments which APAO may wish to submit subsequently on this issue, if required.

Thanks & Regards

For Association of Private Airport Operators



Satyan Nayar

Secretary General
M +91 98100 49839