

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3088
ANSWERED ON:29.08.2013
AIRPORTS ECONOMIC REGULATORY AUTHORITY
Haldar Shri Sucharu Ranjan

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of the order issued by the Airports Economic Regulatory Authority (AERA) with regard to airport revenues;
- (b) the details of 'single till' approach through which AERA wishes to regulate the airport operators revenues;
- (c) the reasons for which GMR and GVK are opposing the order;
- (d) whether the Ministry has come to know that private airport operators are diverting/cross subsidising the revenue earned through operation of airports; and
- (e) if so, the details of such diversion and the action the Ministry/AERA has taken or proposed to take in the matter?

Answer

Minister of State in the Ministry of CIVIL AVIATION (SHRI K. C. VENUGOPAL)

- (a): Airports Economic Regulatory Authority (AERA) has issued the following orders with regard to airport revenues-
- (i) Order No.01/2010-11 dated 05.05.2010 in the matter of levy of user development fee at Trivandrum Airport.
 - (ii) Order No.02/2010-11 dated 18.05.2010 in the matter of levy of user development fee at Sardar Vallabhabhai Patel International Airport, Ahmedabad.
 - (iii) Order 06/2010-11 dated 26.10.2010 in the matter of revision of user development fee at Rajiv Gandhi International Airport, Hyderabad.
 - (iv) Order 03/2012-13 dated 24.04.2012 in the matter of determination of aeronautical tariff in respect of IGI Airport, New Delhi.
 - (v) Order 32/2012-13 dated 15.01.2013 in the matter of determination of aeronautical tariff in respect of CSI Airport, Mumbai
 - (vi) Order 35/2012-13 dated 24.01.2013 in the matter of determination of aeronautical tariff in respect of Netaji Subhash Chandra Bose International Airport, Kolkata.
 - (vii) Order 38/2012-13 dated 04.02.2013 in the matter of determination of aeronautical tariff in respect of Chennai International Airport, Chennai.
- (b) Under single till, all the revenues (aeronautical as well as non-aeronautical) are combined together and put into, so to say, a drawer (i.e. till). Out of this total revenue, the expenditure on both aeronautical and non aeronautical services is taken out to yield surplus, which then is considered for determining charges for aeronautical services.
- (c): GMR and GVK are not opposing the orders of AERA, however, M/s Delhi International Airport Pvt. Ltd. (DIAL) and M/s Mumbai International Airport Pvt. Ltd. (MIAL), who have been assigned the work of operation, management and development of IGI Airport, New Delhi and CSI Airport, Mumbai respectively filed their appeal before the AERA Appellate Tribunal against the Orders of AERA objecting to various Regulatory Building Blocks viz Cost of Equity, Hypothetical Regulatory Asset Base, Refundable Security Deposit, etc.
- (d): Ministry has no such information.
- (e): Does not arise.