

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
QUESTION NO 09.11.2010
ANSWERED ON

INCREASE IN FUEL THROUGHPUT CHARGE AT AIRPORTS .

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SHRI SYED AZEEZ PASHA

Will the Minister of CIVIL AVIATION be pleased to state :-

- (a) whether it is a fact that the Airports Economic Regulatory Authority (AERA) has ordered an increase in the Fuel Throughput charge by 5 per cent at 10 major airports;
- (b) if so, the details thereof;
- (c) whether various airlines have protested against this increase;
- (d) the likely impact of this 5 per cent hike on passenger fares for budget airlines; and
- (e) the steps proposed to protect passengers interests in the country?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION

(SHRI PRAFUL PATEL)

(a) & (b): Yes, Sir. After stake holders consultations, Airports Economic Regulatory Authority (AERA) has approved an increase in fuel throughput charges of 5%, at 10 major airports namely Chennai, Kolkata, Trivandrum, Ahmedabad, Calicut, Guwahati, Jaipur, CSIA (Mumbai), IGIA (New Delhi) and Cochin airports purely on `ad-hoc` basis w.e.f. 01.04.2010.

(c) The Airlines have opposed the increase in fuel throughput charges.

(d) & (e): AERA is considering revenues from throughput charges as part of the passenger yield cap calculation. This mechanism will provide for protection of user interests wherein passenger yield determined by the price cap formula will take into account the full extent of such payments. Therefore, in case, throughput charges are kept at a higher level the airlines would bear the higher fuel throughput charges but the impact of the same is likely to be mitigated through lower airport charges, since the accruals from the higher fees would be considered towards the passenger yield cap calculation.