

Aviation Watch

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Promoting Consumer Awareness in Civil Aviation

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Aviation Watch



Aviation Watch in association with SAAB is organising conference on
"Safety and Security in the Aviation Industry"

Focusing on New Technologies for the better efficiency in Aviation safety and Security
on 31st January 2012, New Delhi



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NEWS**Air India/Indian Airlines:****Air India crew's airport passes expire, operation hit**

The shortage of cabin crew affected the operations of Air India flights at Delhi airport yet again, with several flights being delayed over the past three days. The problem started as the renewal of the airport entry passes (AEP) of over 50 contractual crew members by the Bureau of Civil Aviation Security (BCAS) has been delayed. According to officials, 10 flights were combined on Sunday, while seven flights had to be combined on Monday. Air India's regional subsidiary, Alliance Air, has a fleet of 11 small aircraft with a capacity to seat not more than 70 passengers. On Monday, a flight each to Dubai, Bhubaneswar Kolkata, Bangalore and Patna and two flights to Mumbai had to be combined with other flights operating on wide-bodied aircraft. An Air India spokesperson said the renewal of the AEPs was delayed "because of Diwali holidays". Airline sources said the issuance of the BCAS passes was delayed because the contracts of these employees had expired.

Air India Crisis: Management calls for pilots' meet

The Air India management on Tuesday called pilots for a meeting to resolve the fresh crisis. The Bombay high court will hear the plea filed by the pilots against AI management's discriminatory practices on Wednesday. 23 pilots have reported sick and over 100 have threatened to quit. About 10 AI flights have also been cancelled this past week. Their complaint is that some of them have not been given a chance to fly the Boeing 787 Dreamliner aircraft. Nearly 101 pilots have written to the management threatening to resign and are seeking no Objection Certificates to start looking for jobs. Air India's management, however, denied that they have received any letter from pilots seeking NOC. The airline has also issued a statement denying any reports of a strike by the pilots. "We have not received any letter from pilots seeking NOC. We will look at it when we receive the letter. We are in talks with the pilots and the meeting is on," the management officials said. "Some flights were cancelled on October 31 because of the cabin crew shortage as their security passes were not renewed on time," they said. Air India flew into fresh turbulence with many of the members of the Indian Pilots Guild (IPG) threatening to resign due to alleged "discriminatory" treatment meted out to them by the management. Over 100 pilots threatened to quit the airlines, charging the management with adopting discriminatory attitude against them and stalling their career progression. The development comes four days ahead of the launch of a training programme for pilots to fly the Boeing 787 Dreamliners, the first of which is expected to join the airline by December. In a letter to Air India CMD Rohit Nandan, over 100 pilots, owing allegiance to the Indian Pilots Guild (IPG), said they were "com-

pelled to seek a No Objection Certificate so that we may consider seeking employment elsewhere". Copies of the letter were also sent to civil aviation minister Vayalar Ravi and other officials, besides the Regional Labour Commissioner, Mumbai. The IPG represents around 200 pilots of the pre-merger Air India, while the Indian Commercial Pilots Association that had gone on strike in April this year represents around 1,400 pilots of the erstwhile Indian Airlines. A total of 101 pilots signed the letter claiming they felt "cheated by the management's unfair and discriminatory decisions, leading to a complete stall of our career progression". "These decisions and actions provide a windfall gain to the pilots of erstwhile Indian Airlines at the expense of the career progression prospects of the pilots of erstwhile Air India," the letter said.

Air India aborts training schedule for dreamliners pilots

With Air India deferring a training programme for pilots to fly the Boeing 787 Dreamliners by a month, division between its pilots came to fore with those belonging to erstwhile Indian Airlines opposing the contention of their AI counterparts. While the erstwhile AI pilots owing allegiance to the Indian Pilots Guild (IPG) demanded that all Boeing planes be flown by them, the Indian Commercial Pilots Association (ICPA) said this was "unreasonable" and contrary to the agreement reached between the two unions and the management last month. As talks progressed between IPG leaders and Air India management in Mumbai, the erstwhile AI pilots said a comprehensive plan and a road map should be drawn up for such training programmes for all pilots of the national carrier. But "until this road map is drawn up - we propose that the management maintain status quo; that is, pilots of erstwhile Indian Airlines fly the airplanes ordered by erstwhile Indian Airlines, and pilots of erstwhile Air India fly the aircraft ordered by erstwhile Air India." On the other hand, the ICPA shot off a letter to AI CMD Rohit Nandan saying, "We are deeply disturbed over IPG decision to oppose ICPA pilots flying the B787 Dreamliners after an understanding was signed between ICPA, IPG, and management on this October 8." The IPG represents around 200 pilots of the pre-merger Air India, while the ICPA that went on a flash strike in April-May this year represents around 1,400 pilots of the erstwhile Indian Airlines. The ICPA letter came after a division bench of the Bombay High Court, hearing a petition filed by IPG, was informed by that the airline had decided to defer the B 787 training programme by a month. The matter would now come up for hearing on November 14.

Air India meets RBI with much-delay CDR proposal

The delegation was led by Air India Chairman and Managing Director Rohit Nandan, Aviation Secretary Nasim Zaidi and SBI Caps Managing Director and Chief Executive S Vishvanthan.



Sources said that the delegation would be making a CDR presentation to the central bank. However, a senior SBI Caps official told PTI outside the RBI headquarters prior to the meeting, "We are meeting the Governor (Duvvuri Subbarao) and the Deputy Governor (Anand Sinha). We are paying a goodwill visit and not making a CDR presentation per se to them today. "The proposal, prepared by SBI Caps, has been pending since last October. The SBI Caps proposal was later vetted by foreign agency Deloitte early this year. But since then the plan got stuck due to many reasons. On October 28, a group of ministers meeting on the AI revamp plan had asked the airline to get proposal vetted by RBI within a week. The GoM had also deferred a decision on AI's ambitious acquisition plan of 27 Boeing 787 Dreamliners and additional equity infusion to the tune of Rs 6,600 crore to the outcome of the proposal from RBI. "A report on the Air India debt restructuring prepared by the committee of officers will be reviewed by RBI within a week. Only after that will any decision be taken," Aviation Minister Vayalar Ravi had after the GoM meeting last week. The debt-ridden national carrier has outstanding loans and dues of Rs 67,520 crore, of which Rs 21,200 crore is working capital loan, Rs 22,000 crore long-term loans on fleet acquisition, Rs 4,600 crore of vendor dues and an accumulated loss of Rs 20,320 crore, latest official figures showed. In 2010 alone, the airline reported nearly Rs 7,000 crore losses. This working capital loan was mostly extended by state – run banks like SBI, PNB, IDBI Bank, and Syndicate Bank. The carrier is also fighting employee issues as a section of its pilots are on strike. Another section led by the Indian Pilots Guild, belonging to the pre-merger Air India, has dragged the management to the Bombay High Court over pilot training for the proposed Dreamliners. (Here's more about the on-going tiff) Air India had sought recasting of its debt on the lines of Kingfisher

Airlines, whose CDR plan of Rs 6,000 crore was Okayed by RBI last November. A CDR plan typically involves conversion of part debt into equity capital, and the conversion of the rest into promoters' share capital. Other features include lower interest rates and sanction of additional fund and non-fund based facilities by the lenders, apart from some payment moratorium. Ravi had said once the RBI reviews the CDR plan, the issues of equity infusion and acquisition of the Dreamliners would be tabled before the Cabinet. The ministry has already moved a proposal for an additional equity infusion of Rs 6,600 crore into the carrier to enable it clear its massive dues. The Centre has already put Rs 2,000 crore into the airline in the last two years. The finances of the airline is so bad that it is even unable to pay oil bills daily, forcing the government to ask oil marketing companies to extend another credit line of three months.

Air India pilot's discrimination, threaten to quit

In a move that could hit Air India's international operations, over 100 pilots have threatened to quit the airline, charging the management with adopting discriminatory attitude against them and stalling their career progression. The development comes four days ahead of the launch of a training programme for pilots to fly the Boeing 787 Dreamliners, the first of which is expected to join the airline by December. In a letter to Air India CMD Rohit Nandan, over 100 pilots, owing allegiance to the Indian Pilots' Guild (IPG), said they were "compelled to seek a No Objection Certificate so that we may consider seeking employment elsewhere".

Pilots stir: Air India pilots move High court

A group representing a section of pilots of Air India has moved the Bombay High Court, challenging the management's decision to train pilots of the carrier's domestic operations in flying the latest Boeing 787 Dreamliner aircraft. In its petition, the Indian Pilots' Guild (IPG) has alleged discrimination on part of the management at the national carrier in giving opportunities for career progression to the pilots of the erstwhile Indian Airlines. Despite the merger of the two state-owned carriers in 2007, issues of integration of pilots remain to be resolved at the cash-strapped airline. The matter, which will come up for hearing on November 2, will most likely be disposed the same day as training for batches of pilots is scheduled to commence the next day. On Tuesday, Air India's international operations suffered due to crew crunch as 23 IPG pilots reported sick. The pilots met the management, but the meeting did not resolve the crisis. The airline, in a statement, however said the pilots will not be going on strike and that operations will be normal. The IPG, which represents about 250 pilots from the airline's international operations, had written to Rohit Nandan, chairman and managing director on October 29, seeking a no-objection certificate for about 100 pilots so that they can find jobs elsewhere. "We feel cheated by management's unfair and

discriminatory decisions leading to a complete stall of our career progression," the letter said. Before the merger, Indian Airlines was to get 15 A330 wide body aircraft. "But since it was decided that the two airlines will be merged, the deal to get the 15 A330s was done away with," said a senior commander who is currently flying A320s. "We were made to understand that since Air India will get the Dreamliners (787s) there was enough scope for us to progress to wide body aircraft." The IPG and the pilots union of the erstwhile Indian Airlines, or the Indian Commercial Pilots Association (ICPA), had agreed to send 16 sets of pilots each for training for the 787, at a meeting with the management two months ago. In December 2010, the then Air India chief Arvind Jadhav had allotted 40 slots of Boeing 787 to the Air India narrow body pilots, a move opposed by the IPG in a letter dated February 15, as an illegal and arbitrary order. The IPG alleges that the management's move to allow ICPA pilots to fly wide body aircraft is a violation of Air India Pilots' wage document and deed of recognition. Senior pilots in Air India say that pilots of ICPA who are flying narrow body aircraft are allowed to fly aircraft on Alliance Air (its domestic regional subsidiary) and they should do so as it flies narrow body aircraft fleet instead of eating into IPG's pie. The ICPA also claims that the commanders of Air India that are supposed to fly the 787 have much less number of flying hours.

US carriers unhappy with American aid to Air India

Calling Air India "one of the most poorly-run airlines in the world", American carriers have opposed the US Exim Bank's USD 3.4 billion support to it to buy Boeing 787 Dreamliners. The Air Transport Association (ATA), a trade group representing America's biggest carriers, has shot off a letter to US Export-Import Bank chairman Fred Hochberg opposing the decision, saying Air India's financial ill-health should disqualify it from getting American help. The US Exim Bank had last month decided to give loan guarantees of USD 1.3 billion to support Air India's fleet acquisition from Boeing and another USD 2.1 billion preliminary commitment to support future deliveries of the US aerospace company's planes to the Indian national carrier. A decision to this effect was taken early October by the board of directors of the Export-Import Bank of the US. In its response, Exim Bank's general counsel said the bank stood by its decisions and processes, though it would investigate some of ATA's assertions about its procedures, a report in the Wall Street Journal said. "Air India's borrowing is backed by a sovereign guarantee of the Indian government and its business plan has been vetted by Exim Bank staff," the report quoted a US government official as saying. The official said support to foreign buyers of Boeing planes was important since if the US plane maker could not sell airplanes to foreign buyers like Air India, its chief rival Europe's Airbus probably would. Air India has pending orders for 27 Boeing Dreamliners, the deliveries of which are expected to begin by the end of this year. These are part of the 68-aircraft order placed by the national carrier with the US plane manufacturer.

Air India owes Rs 2,310 crore to India Oil Companies

Air India and its subsidiaries owe Rs 2,310 crore to the oil marketing companies, Civil Aviation Minister Vayalar Ravi informed the Lok Sabha today. "Till the end of first fortnight of September, Air India has a total due of Rs 2,310.65 crore, of which the cash strapped national carrier owes Rs 1563.67 crore to Indian oil Corporation, Rs 409.82 crore to Bharat Petroleum Corporation and Rs 337.16 to Hindustan Petroleum Corporation," he said in a written reply.



He said that in order to help the national carrier, a Group of Ministers last month agreed to grant a credit period of three months as sought by airlines management. "The credit period, however, was agreed without exempting Air India from payment of interest," the Minister said. Facing liquidity crunch, the national carrier has a debt of Rs 22,000 crore as working capital loan and around Rs 21,000 as aircraft acquisition loans. In reply to a separate question, the Minister said Air India has withdrawn its services from 14 routes, which were not profitable. The routes are Mumbai-Sharjah, Calicut-Doha-Bahrain, Mumbai-Vadodara, Kolkata-Ahmedabad/Jaipur-Kolkata, Hyderabad- Mumbai, Chennai-Calicut, Chennai-Mumbai-Kuwait, Hyderabad- Cochin-Coimbatore-Hyderabad, Kolkata-Hyderabad-Kolkata, Bangalore-Singapore, Chennai-Coimbatore, Mumbai-Nairobi, Chennai-Damman and Kochi-Agatti (which was later reinstated). The Minister also informed the House that due to pilots' strike from 27 April to 7 May, Air India has suffered a revenue loss of Rs 200 crore.

Air India schedule change fails to take off

The changed schedule of Air India flight from Ludhiana to Delhi could not be implemented on the first day as the flight had to be cancelled due to low visibility on Wednesday. The departure had been advanced to afternoon from evening to avoid frequent cancellations. The 10 passengers who were to board the flight for Delhi had to face troubles due to cancellation. The visibility at Sahnewal airport, which is required to be 5kms before landing and take-off, was 1.5kms on Wednesday.

The officials initially tried to delay the flight but couldn't avoid cancellation as the haziness persisted. Frequent flight cancellations have resulted in a fall in number of passengers. The average has come down to 10-15 passengers per flight from 30-35 passengers. Manager, Air India, Amrik Singh said, "If we could operate the flights on regular basis, we could have attracted more passengers. 'The new schedule was implemented to avoid cancellations but bad weather forced us to cancel the flight for the day, he added. The work on DVOR installation in airport, on the other hand, is still under process with the undergrounding of 11kv high tension wires going on. The airport authorities have raised a objection regarding 66kv lines passing through the same area saying the DVOR wouldn't work properly in presence of these lines. Airport manager V P Jain said he had brought the matter of 66kv high tension wires to the notice of power department and the district administration. 'Perhaps Delhi headquarter had also recommended the high tension wires be removed but no action has been taken in this regard yet," he added. Engineer-in-chief of transmission lines, Punjab State Power Corporation Limited, B K Gupta, however said, "We have not received any such request from anybody so far."

Air India faces whopping Rs 43,777 crore

The total debt of cash-strapped Air India, consisting of aircraft and working capital loans, is Rs 43,777 crore and the government has infused Rs 3,200 crore equity to help the airline, Civil Aviation Minister Vayalar Ravi said today. "The total debt of Air India, consisting of aircraft loans and working capital bank loan aggregates Rs 43,777.01 crore. The working capital loan is Rs 21511.10 while the aircraft loan is Rs 21412.06," Ravi informed Rajya Sabha in a written reply. part from it, the beleaguered national carrier owes Rs 3,777 crore to airport operators, oil marketing companies, other vendors, interest on working capital loan, interest of IDBA aircraft loans and employee's wage. "Air India owes Rs 2,300 crore to public sector oil marketing companies, Rs 480 crore as interest on working capital loan, Rs 200 crore as interest on IDBA aircraft loans, Rs 350 crore towards employees' wages, Rs 367 crore to other vendors and Rs 75 crore to airport operators," Ravi said. The national carrier has registered a loss of Rs 5548.26 crore during 2008-09, Rs 5552.44 crore during 2009-2010 and Rs 6994 crore (provisional) during 2010-11. He said that the government has infused fresh equity of Rs 3,200 crore to help the national carrier. The airline has prepared a turnaround plan and financial restructuring plan, on the direction of Group of Ministers, which was examined by the Group of Officers. "The recommendations of GoO have been referred by the GoM for RBI's review and regulatory forbearance on the FRP," he said.

Air India flies rare anacondas

National carrier Air India transported four baby anacondas on board its flight from Colombo to Mumbai via Chennai as cargo

on Thursday evening. Known for its expertise in carrying different types of special cargo, the airline had carried a rare endangered female Tomistoma crocodile on its flight from Chennai to Ahmedabad last year. On Thursday, AI flight 274 from Colombo carrying the four green-coloured baby anacondas landed at 5.50 pm in Chennai and left for Mumbai at 6.40 pm. The two male and two female anacondas were originally to have reached Chennai by a Sri Lankan Airlines flight and later transported by an Air India flight. "But due to downgrading of the Sri Lankan Air-lines flight, the cargo containing the rarest species of anaconda was carried by an Air India flight to Chennai. However, the cargo was not offloaded in Chennai. It continued its journey to Mumbai, from where it travelled by road to reach the Kamala Nehru Zoological Park in Ahmedabad," said an AI spokesperson. The release from Air India said the anacondas, native of South America, were carried in a specially packed container in an aircraft compatible for such transportation in compliance with International Air Transport Association (IATA) regulations for carriage of live animals. Anacondas are found in the Amazon and Orinoco areas in Columbia, Venezuela and South Central Brazil. Being a non-poisonous snake, the anacondas are fond of staying in muddy water and have a life span of about 10-30 years. It thrives on fishes, birds, tortoises and mammals. An anaconda weighs 68-180 kg and is 3-9 metres long.

Air India gives wings to disabled kids' fancies



Some of them were partially blind, others were on wheelchairs and some could not make out what the fuss was all about. But all the disabled children cheered in unison as the Air India flight took off with over 350 special passengers for a one-hour sortie. Some also squealed in fear. The 'Flight with Memories –AI 2011' to Kanyakumari and back organised by Air India and the Rotary club of Cochin Airport to commemorate World Disabled Day that falls on December 3 was indeed a memorable one for the children as well as the elders. "I'm boarding an aircraft for the first time in my life," said a beaming Nisa Madhu of the Santhvanam special school, Anthikad, who could not have asked for a better birthday gift. "I was trying to spot my house but it is allgreen cover, water and clouds. "And singing 'Happy Birthday' mid-air was actors Meera Nandan,

Kaviyoor Ponnamma and Tini Tom, not to forget the Air India cabin crew who presented gifts to the kids. "Till now I had seen a plane only up in the skies. But I never imagined it could be so big," said Adarsh, an inmate of Janaseva Sishubhavan. A team of 30 other kids were also part of the trip. "We included them so that they could understand the problems faced by disabled children," said an AI official. Earlier, a magician entertained the children on the ground. The CIAL MD, Mr V.J. Kurian, former minister Mr Jose Thettayil, and the airport Director, Mr A.C.K. Nair, were among those who accompanied the special passengers.

Air India: Govt mulls Rs 30,000 crore bailout package

Seeking to turnaround ailing Air India, government is considering a nearly Rs 30,000 crore package for the national carrier over a period of 10 years, official sources said on Monday night. According to the proposal, government is considering writing off Rs 4,500 crore cash loss of Air India, infusing additional equity of Rs 6,750 crore and Rs 17,000-18,000 crore for its fleet acquisition programme. The bailout package is expected to roll-out over a period of 10 years, the sources said after a two-hour meeting of official from the civil aviation ministry, Air India and representatives of lenders-a consortium of 14 banks led by SBI. The lenders gave a "broad approval" to the debt restructuring plan of the cash-strapped carrier after getting the green signal from the Reserve Bank of India (RBI) last week, the sources said. The Cabinet note, taking cognisance of the entire bailout package, will be prepared by the civil aviation ministry in the "next few days". This crucial meeting came a day ahead of the meeting of the Air India board here. The total debt of Air India, consisting of aircraft loans and working capital loans aggregate Rs 43,777.01 crore. The working capital loan is Rs 21,511.10 crore while the aircraft loan is Rs 21,412.06 crore, latest figures show. The bank representatives are understood to have sought clarifications on certain regulatory issues from the RBI, the sources said, adding that they wanted to become part of a proposed committee to be set up to monitor the implementation of Air India's overall turnaround plan.

Air India may sell Dreamliner plane on delivery, Lease back

Air India Ltd may sell and lease back the futuristic 787 Dreamliner planes it is due to take delivery soon from Boeing Co, according to airline sources being quoted in the media. This is necessitated as the hugely debt-laden carrier tries desperately to get a financial restructuring package in place that will ensure its continued existence as a functioning airline. Air India is only the second carrier after launch customer All Nippon Airways to take delivery of the Dreamliner, which Boeing claims will be one of the most fuel efficient airliners in operation today. AI has 27 Dreamliners on order. The same sources also said the airline will also look to carry out similar transactions with other aircraft in its fleet as well, but will start

with the Dreamliner as these state-of-the art aircraft are much in demand now and are expected to fetch a higher price than other planes. The airline already has some Airbus planes on sale and leaseback. Sale and leaseback deals unlock precious cash for airlines and are helpful in balancing account books. Indian carriers are battling high fuel costs, high interest rates and a weak rupee which has led most of them into reporting heavy losses every quarter of this year.

Cabinet note on equity infusion as banks approve AI debt recast

Government is considering writing off Rs 4,500 crore cash loss of Air India and infusing additional equity of Rs 6,750 crore over a 10-year period, as lenders of the beleaguered carrier tonight broadly approved its debt recast plan. With the go-ahead from the lenders, civil aviation ministry would in the "next few days" start preparing a note for the Cabinet on both counts, official sources said. At a two-hour meeting with officials of the ministry and the national carrier, representatives of a consortium of 14 banks led by SBI approved the debt recast plan, which had got the green signal from the Reserve Bank of India (RBI) last week, sources said. This crucial meeting came a day ahead of the meeting of the Air India Board here. The total debt of Air India, consisting of aircraft loans and working capital loans total Rs 43,777.01 crore. The working capital loan is Rs 21,511.10 crore while the aircraft loan is Rs 21,412.06 crore, latest figures show. The approval of the debt restructuring plan would ease the massive debt servicing burden of the troubled airline. The RBI had last Thursday approved the extension of its loan tenures from 10 to 15 years. The bank representatives are understood to have sought clarifications on certain regulatory issues from the RBI, the sources said, adding they wanted to become part of a proposed committee to be set up to monitor the implementation of Air India's overall turnaround plan. Detailed discussions were carried out with the bankers on various aspects of Air India's precarious financial situation, apart from its balance sheet, financial position and future projects, the sources said. After tomorrow's Board meeting, a Group of Ministers headed by Finance Minister Pranab Mukherjee would meet. Thereafter, the Cabinet would decide on the crucial issue of infusing fresh equity of Rs 6,750 crore and writing off of cash losses of Rs 4,500 crore, they said. Under the Rs 18,000 crore Corporate Debt Restructuring (CDR) proposals, the lenders are to decide on extending the tenure of Rs 11,000 crore short-term loans into long term loans of 15 years and convert Rs 7,000 crore debts into equity. Air India also owes Rs 2,300 crore to public sector oil marketing companies, Rs 480 crore as interest on working capital loans, Rs 200 crore as interest on aircraft loans, Rs 350 crore towards employees' wages, Rs 367 crore to other vendors and Rs 75 crore to airport operators. The national carrier, under the aegis of SBI Caps, had submitted a restructuring proposal to RBI seeking its permission to extend the loan tenures, among other

issues. The national carrier has registered a loss of Rs 5,548.26 crore during 2008-09, Rs 5,552.44 crore during 2009-2010 and Rs 6,994 crore (provisional) during 2010-11.

No free meal on AI's shorter flights

A day after the central bank approved the financial restructuring and turnaround plan for the national carrier, the Air India board decided to lease out excess capacity of two 747-400 aircraft and some 777-200 LR aircraft –at a future date – after the induction of Boeing 787. The board approved the issue of RFP for 787 aircraft under the sale-and-lease-back mechanism, pending a final clearance from the Centre. As a cost-saving measure, sources said that the airline also decided to withdraw meals from flights of less than 90 minutes' duration. It is expected that the carrier will save around R20 crore annually through this measure. The board reviewed the operations of the company and the progress on the implementation of the turnaround project (TAP) and the financial restructuring plan (FRP). Earlier, RBI issued an in-principle approval for the FRP of Air India and had agreed to provide the dispensation required with certain exceptions. The bankers give the nod to the restructuring programme subject to the certain issues being again taken with RBI. Meanwhile, a key performance indicator, passenger revenue, for the month of October showed an increase of 5.2% even after the reduction of capacity by 2.9 % compared to the same period last year. "While the passenger carried increased by 4.9%, the passenger load factor improved by 2.6%," said an official communication of the company. The board took note of factors that negated the impact on profitability. These include an 18% increase in fuel cost amounting R1, 097 crore. Also, Air India's wage cost went up due to increase in gratuity provision (R295 crore) while depreciation went up by R300 crore due to addition in fleet. According to Air India, the interest cost went up by R860 crore due to increase in borrowing and hike in rates....

Jet Airways/JetLite/SpiceJet/Kingfisher/Indigo Airlines:

With mounting debt, Kingfisher knocks at Govt's door again. Cash-strapped Kingfisher Airlines, which recently announced the closure of its low-cost arm Kingfisher Red, has knocked the government's door asking for its help in securing loans from bankers, official sources said. The airlines' chairman Vijay Mallya sought government's intervention to secure loans from banker's consortium in a meeting with the civil aviation minister Vayalar Ravi last week. The airline has run into financial difficulties, facing high interest rate on nearly Rs 6,000 crore debts. When contacted, Ravi confirmed the meeting and said, "The aviation industry is facing crisis. These carriers may be privately owned but are Indian carriers, and the ministry will have to watch out for them," he told The Indian Express. He said that he has instructed his ministry to look into the matter and asked the airline to submit a detailed proposal. Mallya, who

also met the civil aviation secretary Nasim Zaidi, refused to elaborate on the meeting, but said that the meeting was to seek ministry's nod for an overseas route.

Kingfisher Airlines asks for more cushion from banks to ease its debt burden

India's No. 2 carrier Kingfisher Airlines on Wednesday sought further cushion from banks to ease its debt burden, but denied it was seeking another debt restructuring. The Vijay Mallya-controlled carrier has sought lenders' help to substitute high-cost rupee borrowings with lower-cost foreign currency debt, Ravi Nedungadi, president and group chief financial officer said in a statement on Wednesday. It has also asked banks to take into account the changes in the rupee-dollar exchange rate as well as international fuel prices as they appraise the carrier's working capital requirements. India's currency has fallen nearly 11 percent against the dollar since a late July peak, making imported fuel more expensive. The cash-strapped airline has also sought help from banks to release cash deposited with leasing companies, who give aircraft to Kingfisher on lease against maintenance reserves by providing bank guarantees. Maintenance reserves income comprises non-refundable reserves and is earned based on aircraft usage. Nedungadi said that banks were in "active consideration of these requests and there is absolutely no question of another debt recast." The Economic Times website on Wednesday reported that a second debt restructuring plan by Kingfisher was rejected by banks. Kingfisher, which has never reported a profit since becoming a listed company, cut its debt through a restructuring earlier this year by issuing shares to 14 banks, including State Bank of India and ICICI Bank. It recently recast its business model, doing away with its low-cost service Kingfisher Red. Earlier, Kingfisher's auditors raised questions about its viability and said it needed capital infusion to survive. Kingfisher shares have lost about 74 percent from their 52 week high, reached nearly a year ago. At 3.18 p.m., shares of Kingfisher, which the market values at \$246 million, were down 1.24 percent at 23.8 rupees in a Mumbai market that was down 0.12 percent.

Jet, Kingfisher margins likely to crash on falling rupees

A falling rupee against the dollar has proved to be a double edged sword for ailing airlines struggling to fly in the black. The aviation sector has already seen its operating cost go up significantly for the three months to September quarter as airline companies incur 30% expenses in dollar denomination. Secondly, the weak rupee could compress EBITDA margins to 3% from 12.3% Y-o-Y due to the weak rupee, say analysts. After falling to Rs 50 to a greenback few days back, the rupee is now at Rs 48.86 sending shockwaves to airline operators who are already reeling under losses for the past two quarters. While country's largest private carrier Jet Airways had posted a net loss of Rs 123 crore for Q1, Kingfisher too posted a net loss of

RS 263 crore on high fuel bills. Jet and Kingfisher Airlines officials with whom moneycontrol.com talked to have said that their Q2 topline has been dented as the rupee started to depreciate against the greenback by almost 12% when compared with the three months to June quarter. "A sharp fall in the value of the rupee pushed up our external borrowing cost, lease rentals and salaries to expat staff. A falling rupee has bloated out operational cost by around 10% for the September quarter," says an official from a full service carrier. Jet incurred Rs 361 crore towards employee salaries, Rs 207 crore on lease rentals and Rs 214 crore on interest payments on loans taken domestically and in dollar denominations when the rupee stood at Rs 45 against the greenback during Q1 of FY12. Now, with the rupee inching towards Rs 50 against the dollar, airlines will have a tough time maintaining costs, say analysts. Also, while Jet has dollar denominated loans of around Rs 9,000 crore; its rival Kingfisher has a debt of around Rs 6,000 crore of which a significant amount is in dollar denomination. Fall in rupee will also increase the principal amount of loans for these companies. Sharan Lilaney from Angel Broking explains, "Airlines are already making losses for the past two quarters and with lower purchasing value of the rupee, airlines are likely to report more losses this quarter." He further adds that though Jet Airways and Kingfisher Airlines receive revenues from international operations in dollar terms, the impact will be offset by other larger expenses which they incur in dollar currency. Though crude prices have slipped to \$109.45 from \$113 a barrel Q-o-Q, the weakening rupee has toned down the impact, say experts.

SpiceJet biggest gainer in market share, Kingfisher loses heavily in Oct

Presenting a different side of the airline industry, for the second time in a year, all the domestic airlines have carried over 54 lakh passengers in October. Low-cost airline SpiceJet has emerged as the biggest gainer in terms of the market share, while Kingfisher lost maximum in comparison to September. According to the data compiled by the aviation regulator, the Directorate General of Civil Aviation (DGCA), seven domestic airlines (including JetLite) carried over 8.14 lakh passengers more in October in comparison to September. However, with cancellation of flights by Kingfisher, the experts feel that growth may slow down in November and December. Interestingly, all the three full service carrier, Air India, Jet Airways (including JetLite) and Kingfisher have shaded its market share while barring Indigo, the two low-cost carriers SpiceJet and GoAir have gained handsomely. There is no change for Indigo. Despite all these, Jet and JetLite combined have managed to hold the top rank in total market share, while Indigo retained the second position. A senior official in the DGCA said that with the introduction of regional connectivity with Q400 type of plane, SpiceJet has been able to increase its market share more than expected. Seat factor (seats filled in comparison to availability)

for Chennai headquartered airline increased significantly to 78 per cent.

Kingfisher Airlines to sell property to fly out of debt crisis

The board of Kingfisher Airlines (KFA) will on Monday consider a proposal to cut debt by more than half by selling property, converting loans from its parent company into equity, and changing the terms under which it leases aircraft. The management of the airline, which has cancelled 200 flights in the past week, leading to fears it is close to bankruptcy, says its plan will result in debt coming down from Rs 6,500 crore to Rs 3,000 crore.



The debt-reduction plans to be placed before the board were spelt out in a presentation, which has been reviewed by this paper, to potential financial investors on November 6. The management is likely to propose a preferential issue of equity to the promoters and other investors, meeting a key demand of banks that are insisting Vijay Mallya, the flamboyant tycoon who owns the airline, infuse equity into the troubled carrier. Kingfisher is promoted by Mallya's UB Group, which owns United Spirits, India's biggest liquor company. The UB Group will also convert Rs 675 crore of debt into equity as part of the plan to pare debt. The preferential issue of equity, if approved, will replace a rights issue of Rs 2,000 crore approved by the board in August. Once these plans are approved, Kingfisher will approach banks for up to Rs 500 crore of working capital to buy fuel and pay salaries, according to people familiar with the matter. Kingfisher's lenders have made it clear that the airline would have to come up with a credible business plan. "Kingfisher is a valued company, but an airline would need fuel, fleet and finance to run the show. Kingfisher should tell us how it plans to streamline its daily requirements," Pratip Chaudhuri, chairman, SBI, said in Kolkata. SBI is the lead lender to Kingfisher among the consortium of 13 banks. Chaudhuri said banks have asked the airline's owners to bring Rs 800 crore as equity. The company has said Rs 400 crore has been arranged, but Chaudhuri said he wanted to "see the money", news agency PTI reported. He said banks will meet KFA's management on Tuesday. Over the weekend, reports that the

government might move to bail out Kingfisher has met with strong opposition from politicians and sections of industry. "If it's a free market economy, those who die must die," said Bajaj Auto Chairman Rahul Bajaj. The principal opposition party, the BJP, and the CPM have strongly opposed government help to Kingfisher. Over the next two years, Kingfisher plans to raise close to Rs 900 crore by selling Kingfisher House, the airline's headquarters near the Mumbai domestic airport, and other real estate, and Rs 700 crore more by changing the leases on its aircraft from financial to operating. In case of a financial lease, the airline has to deposit money with the aircraft manufacturer, which can be up to 15% of the total value of the aircraft. Converting it into an operating lease would mean the deposit is paid by the leasing company, which in turn is paid lease rental by the airline. Sanjay Aggarwal, Kingfisher Airlines CEO, however, refused to comment on the additional working capital but confirmed that the airline was planning to raise funds by changing the nature of lease agreements and selling real estate. "All this exercise is going to reduce our interest costs that are pinching us a lot right now and reduce debt levels to reasonable limit," he said. But industry insiders doubted if a change in the nature of the lease would raise the kind of money that KFA seemed to be expecting. Further, they say, the Mallya-owned airline's relationship with leasing companies is less than stellar as it has repeatedly defaulted on lease rental payments for some of its aircraft. "It needs to be seen how much value can be unlocked from sale of real estate assets as the realty sector itself is going through a challenging phase. With the troubles the company has with leasing firms, it will also be interesting to see if they are agreeable to bailing Kingfisher out. But if they are indeed able to half their debt, as they are planning to do so, it will help the company a lot as what is hurting Kingfisher's profitability is the high interest outflows," said a research analyst with a leading brokerage firm not wanting to be identified. According to sources, some of the money that Kingfisher is seeking from the banks will go into reconfiguring the aircraft it wants to use for its full-service operations. These aircraft were earlier used by Kingfisher Red, KFA's defunct low-cost arm. Kingfisher had announced after a board meet in September that it would do away with Kingfisher Red, known as Air Deccan before Mallya acquired it in 2007 from GR Gopinath. Kingfisher expects to increase its revenues by 15% once the reconfiguration of these aircraft is complete in another three to four months. An earlier restructuring of loans had brought down Kingfisher's debt to Rs 6,500 crore from over Rs 7,500 crore. The lenders — 13 banks, including SBI and ICICI — paid a 61% premium when they got a 23% stake in the airline in April this year, a move that has been panned by independent analysts as they got only one board seat. The Kingfisher scrip has tanked since then, closing at a new low of Rs 19.65 on Friday. The airline will also look at reduction of manpower costs. "Tough measures have to be taken even if it means manpower reduction for the sake of the remaining 7,500 employees," Aggarwal said.

Jet goes for the kill

Airline to increase full-service flights as Kingfisher curtails operations. Kingfisher's pain could be Jet Airways' gain. The Naresh Goyal-led carrier plans to increase the number of its full-service flights to attract passengers affected by Kingfisher cancellations.



Currently, about 60 per cent of Jet's domestic flights operate under the Konnect brand, a no-frills service. The airline now plans to increase the share of full-service flights to 50 per cent, says Jet Airways chief executive officer Nikos Kardassis. "The situation in the market is changing very rapidly due to Kingfisher cancelling flights every day. We are looking to add capacity and increase the number of flights, mostly in the full service. The corporate segment is now shifting over to us," he says. The strategy of Jet, which posted a second-quarter loss of Rs 713 crore on the back of high crude oil prices, lean season impact and foreign exchange conversion loss, is simple. An increase in the number of full-service flights will help improve its yields and also make competition tougher for Kingfisher. Kingfisher plans to do away with the low-cost brand and offer full-service products on all flights in the next three months. Air India is the only carrier now to have full-service products on all flights. Jet Airways and its low-cost subsidiary JetLite operate 620 daily flights across domestic and international networks in the current schedule. Since last Monday, Kingfisher has been cancelling 30-50 flights daily as it tries to pare losses. Kingfisher has said it is cutting non-profitable routes and carrying out reconfiguration of planes to relaunch as a full-service carrier. The reconfiguration will require up to three aircraft to be out of service over the next three months. That means Kingfisher will be operating a truncated schedule. Although Kardassis did not share the exact number of additional flights, Jet could hope to benefit from the director general of civil aviation's proposal to allow other carriers to operate flights in slots unutilised by Kingfisher. "In the second quarter, Jet's domestic business was under pressure and ticket prices dropped," said Mahantesh Sabarad, an analyst with Fortune Equity Brokers. According to Sabarad, ticket prices fell 10-12 per cent in the second quarter on a sequential basis and now the airline can hope to recover

some of the losses by raising fares. "For Jet Airways, the more pressing issue is addressing profitability in the domestic sector, which can be done by increasing fares," he said. On a stand-alone basis, Jet Airways earned revenue of Rs 3,332 crore in the second quarter of FY 2012 — up seven per cent over the same period last year. Earnings before interest tax depreciation, amortisation and rentals (Ebidtar) stood at Rs 172 crore. However, JetLite's revenue grew just three per cent and it had an Ebidtar loss of Rs 41 crore in the second quarter. On a consolidated basis, the airline recorded a loss of Rs 713 crore compared to a profit of Rs 12.40 crore in the second quarter of last year.

JetLite enhances services with Amadeus ticket changer

JetLite, a wholly owned subsidiary of Jet Airways India, is to implement the Amadeus Ticket Changer solution, allowing travel agencies in India to change and modify flight bookings in just seconds.

In a first for India, Amadeus Ticket Changer is designed to automatically manage the necessary calculations to reissue a ticket, and to store the results in the correct ticketing formats. Amadeus Ticket Changer allows all kinds of itinerary changes, including date, flight and routing, and processes a vast range of tickets, giving the end-consumer unprecedented control over their itineraries.

100th aircraft to join Jet Airways fleet

India's largest private airline, Jet Airways has accepted delivery of its 100th aircraft, a swank new Boeing 737-800, a top company official said here Thursday. The airline took delivery of the aircraft - the third of its kind in its fleet - in Seattle last Tuesday. 'The delivery of our 100th aircraft is a major milestone for everyone at Jet Airways. We have always chosen to utilize the very best in next generation avionics to ensure superior quality, reliable service and above all, customer satisfaction,' remarked the airline's CEO Nikos Kardassis. Featuring eight premier and 162 economy class seats, the Boeing 737-800 will be inducted into the fleet for commercial operations Dec 5. The aircraft incorporates better space management, pivot bins with higher overhead storage capacity, enhanced sound quality and clarity, and curved cabin architecture with special LED lighting portraying different colour schemes, among others. Jet Airways was the first airline in Asia to fly the next generation Boeing 737-800, barely seven months after its commercial induction in the US. With the latest acquisition, Jet Airways will fly to 76 destinations, including 24 international, making it one of the fastest growing airlines in the world. Presently, Jet Airways operates a fleet of 99 aircraft, which includes 10 Boeing 777-300 ER aircraft, 12 Airbus A330-200 aircraft, 57 next generation Boeing 737-700/800/900 aircraft and 20 modern ATR 72-500 turboprop aircraft, with an average fleet age of 5.71 years.

Suitors swirl as Mallya, media hunt Kingfisher white knight

Vijay Mallya's disclosure to the media late last week that Kingfisher Airlines is close to roping in an Indian private investor appears to have sent business circles buzzing. Among the names doing the rounds are those of Mallya's newfound ally Subrata Roy Sahara and — hold your breath — Reliance Industries chairman Mukesh Ambani. A potential investor seems to be Sahara Group chairman Subrata Roy," said a source with connections in both camps. The Sahara Group last month bought a 42.5% stake in Mallya's Formula 1 team Force India. Sahara bought this stake with an equity commitment of \$100 million towards development of the team. A similar equity infusion from the Sahara Group is now being discussed for Kingfisher Airlines, according to well-placed sources. Officials of the two groups were expected to discuss the issue at a full-day meeting on Sunday, though a Sahara spokesperson said it was purely a Sahara Force One board meeting. "Sahara has no interest in the airline," the spokesperson said. Mallya, chairman of Kingfisher, denied any talks with Sahara for an investment in the beleaguered carrier though in an interview with Financial Times on Friday he had said Kingfisher was close to sealing deals worth \$370 million. A consortium of 14 banks led by the State Bank of India is likely to chip in with Rs600 crore working capital and a private investor with Rs1,250 crore. But Kingfisher's market capitalisation was less than what the private investor would bring in at Rs 1,197 crore on Friday on a paid-up equity base of 49.77 crore shares. That could mean a massive dilution of the equity base. Kingfisher Airlines' total debt is at an overwhelming Rs6, 500 crore, accounting for nearly half of the promoter UB Group's total debt of Rs14, 000 crore. With such huge debt on its books, most Indian banks are unwilling to lend to it, said a source, forcing it to seek other investors and sell some of the group's popular liquor brands and assets under subsidiary United Spirits to raise funds. "Kingfisher Airlines can either look at partly selling itself to an international player, till FDI (foreign direct investment) from international airlines is permitted. Another alternative is to find a strong domestic investor," said the source. On sale of brands and assets, the source said, "Some brands of very high valuation like the premium whiskey Royal Challenge could be sold. There are also other premium whiskey brands in United Spirits' portfolio like the Antiquity and Signature. "Rumours about Bacardi India being a potential buyer for United Spirits' premium whiskey brands are rife too. However, this could not be verified with Bacardi officials immediately. Meanwhile, Ravi Nedungadi, CFO, UB Group stated, "We are very comfortable with the debt in United Spirits and thus will not look for a sale of any of the assets, which includes its brands, to retire debt at the group level. "The official also declined to confirm the Rs 14,000 crore debt figure at the group level, saying "the debt needs to be seen a break-up at individual company level and not as a total liability for UB Group. "Currently, while airlines are permitted to receive foreign direct investment of up to

49%, investment from foreign airlines is not allowed. The Cabinet, however, is expected to take up a proposal to let foreign airlines buy up to 24% equity in local carriers.

Jet Airways needs to raise money: Auditors

The auditors of India's biggest carrier Jet Airways have warned the company needs to raise funds or generate cash flows in the future to meet its obligations, including financial support to its loss-making subsidiary JetLite. Deloitte Haskins & Sells and Chaturvedi & Shah said in a report dated November 11 that raising money is crucial if Jet's accounts have to be prepared on a "going concern basis" in the future. The report was released to the stock exchange on Monday. In September, auditors of smaller rival Kingfisher Airlines had warned the carrier needed to infuse funds to continue as a "going concern". Jet, which enjoys nearly a quarter of the market share, swung to a net loss in September quarter, compared with a profit a year ago, hurt by rising fuel prices and a forex loss in the quarter. "Jet is better relative to Kingfisher in terms of financial strength. I definitely think they will make a profit over the time and shore up their capital," said an analyst with a local brokerage who requested anonymity. The company's shares rose as much as 4.5 percent in early deals on Wednesday, despite the auditor's comments. At 12.31 pm (0701 GMT), they were up 3.95 percent at 248.6 rupees. "Jet has a different business model.... They have a preponderous international fleet, adequate flight strength and they have been able to protect their market share. It will be able to meet its obligation to service debt," the analyst added. Shares of the carrier, valued by the market at over \$400 million, and have lost as much as 67.5 percent of their value in 2011.

Jet Airways plans to give loans to Jetlite

Jet Airways (India) Ltd. said Wednesday it plans to give 500 million (\$9.6 million) of interest-free loans to JetLite by the end of March as part of immediate steps to keep the loss-making unit continue its operations. "These funds will be enough for JetLite," said M. Shivkumar, senior vice president in charge of finance at Jet Airways. "The environment is improving now and we expect higher yields in the coming months to generate the additional requirement of cash," he said, referring to December and January, when extended holidays lead to a rise in travel. The decision to provide financial support to JetLite follows remarks from Jet's auditors that the carrier needs to raise money to fulfil its obligations and also fund JetLite, whose net worth has eroded. Auditors Deloitte Haskins & Sells and Chaturvedi & Shah said in their limited review of Jet's July-September results that raising funds was vital if the airline's accounts in the future are to be prepared on a "going concern" basis, which refers to a company's ability to generate enough funds to stay operational. Jet Airways, India's biggest airline by market share, had infused 16.45 billion rupees as equity and an additional 14.14 billion rupees as loans to JetLite until the end of

September. Jet's financial troubles reflect wider issues in India's aviation industry where all airlines except one--low-fare carrier Indigo--are incurring losses. Airlines have been hit by high fuel prices, mounting interest costs, a falling rupee as well as fierce competition that aren't allowing them to fully pass on the higher costs to customers. Rashes Shah, an analyst with ICICI Securities Ltd., said Jet can, for the time being, withstand challenges in the industry but "will be in trouble if the negative environment sustains for more than a year. "Jet Airways' Shivkumar said also that a planned institutional share placement, through which Jet aimed to raise \$400 million, won't happen anytime soon. But he added that Jet plans to sell and leaseback more planes in the next six months to generate cash. The airline has a fleet of 100 planes, of which it owns 40, with the remainder on lease. It can fetch up to \$300 million as profit from the sale and leaseback of the 40 planes, Mr. Shivkumar said, but added that Jet would prefer to own some planes to keep some assets on its balance sheet. He said also that Jet has to repay 15 billion rupees of debt by the end of March. Of this, 6 billion rupees is short-term debt, part of which Jet may refinance. JetLite was formed in 2007 after Jet acquired Sahara Airlines Ltd. and turned it into a budget carrier. The unit incurred a loss of 1.07 billion rupees in the financial year ended March 31, 2011. Jet Airways, whose shares have lost two-thirds of their value in 2011, posted a net loss of 7.14 billion rupees in the July-September quarter, compared with a year-earlier net profit of 124 million rupees.

Jet Airways, SpiceJet may soon start services to Mysore

With the suspension of Kingfisher Airlines' services between Bangalore and Mysore earlier this month, the Airport Authority of India (AAI) is banking on two other private carriers Jet Airways and SpiceJet to start commercial flight operations from the City of Palaces. AAI officials said that meetings have been held with the private airlines officials who have expressed their wish to start operations on the Mysore sector. "We have held meetings with the private airlines to operate flights from Mysore. Lok Sabha MP from Mysore H Vishwanath and district in-charge minister SA Ramdas have also held meetings in this regard to see to it that the airport is back on the domestic aviation map," said an AAI Official Manjunath, DGM, Mysore Airport, said that the Mysore route has a huge potential as the Kingfisher Airlines' flight regularly saw occupancy of 60%. Manjunath added that SpiceJet is likely to operate an ATR 72 shortly. "They haven't given us a date but have listed on their winter schedule that they would operate on the Mysore route," he added. Mysore, apart from being an important tourist destination, also houses campuses of companies like Infosys and Wipro. The AAI built Mysore airport at a cost of `82 crore. The lone Kingfisher flight, which operated five days a week between Mysore and Bangalore, was withdrawn as part of the company's move to cut down on its existing domestic routes.

Jet eyes up to \$300 million for plane sale, lease back

Jet Airways Ltd, India's largest airline, plans to sell and lease back aircraft it owns to raise up to \$300 million over the next six months and cut its debt, a top official told Reuters on Tuesday. The airline, which has a near-quarter local market share, intends to sell and lease back part of the 40 planes that it owns, M Shivkumar, senior vice-president - finance, told Reuters on Tuesday.

"We have 40 aircraft on our own books. Depending upon the fund requirements, we will go accordingly," he said over the phone. Sale and lease back is a process where airlines sell planes to a leasing firm which then leases aircraft back to the airline, thereby helping firms save on capex. It is a common process that airlines follow during a slowdown. Debt-laden Kingfisher Airlines, which cancelled scores of flights this month and is hunting for a strategic investor, also plans to raise funds through sale and lease back of some planes. On Monday, a source told Reuters that national carrier Air India too plans to sell and lease back Boeing 787 dreamliners to cut its debt. "We can raise up to \$300 million. But it is not necessary we have to raise all of \$300 million," Jet's Shivkumar said. Jet's fund raising plans comes amid comments by its auditors that raising money was essential if Jet's accounts are to be prepared on a "going concern basis" in the future. Once a reflection of India's growing economic prowess, the country's airlines are struggling with surging oil prices, high sales tax on jet fuel and below-the-belt pricing due to increased competition, leading to massive losses. Analysts have said that irrational pricing by the likes of the national carrier Air India have made it impossible for airlines to raise domestic fares in the recent past. All three listed carriers Jet, Kingfisher Airlines and SpiceJet are currently loss making and state-run Air India is on government life support. In such a scenario, raising fares is essential to improve yields and margins for bleeding carriers, analysts have said. "Whenever there is a requirement to increase the fares because it is not in line with costs, fares should go up. Where is the choice?" Shivkumar said on Tuesday. Auditors to Jet's smaller rival Kingfisher also had raised doubts about the airline's viability if it fails to raise funds. Loss-making Jet, which has a total debt of about \$2.7 billion, plans to retire about 15 billion rupees by the end of March, Shivkumar said. It also plans to use money from a land deal in central Mumbai to pare debt, Shivkumar said. Jet had signed a deal with Indian builder Godrej Properties to develop part of its land bank in Mumbai into an office complex. The airline has a fleet of 100 Airbus, Boeing and ATR aircraft, and plans to take 5-6 Boeing 737 planes on lease to expand operations, Shivkumar said. On Tuesday, Jet Airways shares, valued at \$460 million, closed down 3.9 per cent at 266.8 rupees in a weak Mumbai market. The stock is down 64 per cent so far this year, compared with a 21.9 per cent fall in the benchmark index.

Government not approving applications to fly overseas: Rahul Bhatia, Indigo

Hitting out at the government, co-founder of India's most successful airline IndiGo has said that the government is not approving applications to fly overseas. Rahul Bhatia said IndiGo has applied for 30 international departures every day. Rahul Bhatia, who floated IndiGo airlines with Rakesh Gangwal five years ago, said that the government should not change current FDI policy in aviation. "The success formula of the carrier is low operation cost, low fares and more customers," said Bhatia. Bhatia said that IndiGo's focus will be in India and reiterated that Air India would end up as a loser if foreign airlines are allowed to buy into domestic carriers. In the coming years, air traffic in the country is set to jump and the opportunity it will create should belong to Indian carriers. "Government should not put premium in inefficiency," said Bhatia. On the surface, demographics make India, a country of 1.2 billion, an attractive story. India's passenger aviation sector is estimated to be growing at between 15 and 20 percent each year. The country's airlines may lose a total of \$2.5 billion in the year ending in March, according to the Centre for Pacific Aviation, an industry body. "Private airlines in the country are in dire need of funds for their operations and service upgradation to compete with other global carriers," the note circulated by the Department of Industrial Policy and Promotion (DIPP) had said.

INDIAN AVIATION

Oil companies hike jet fuel prices

State-owned oil companies today hiked jet fuel prices for the second time this month, raising rates by a steep 2 per cent with effect from midnight tonight. "The price of aviation turbine fuel (ATF), or jet fuel, at Delhi's T3 airport was raised by Rs 1,195 per kilolitre (kl), or 1.95 per cent, to Rs 62,310.33 per kl with effect from midnight tonight, an official of Indian Oil Corp, the nation's largest fuel retailer, said. The increase comes on back of a massive 3.8 per cent or Rs 2,845 per kl hike in rates effected from November 1. But for a one-off marginal reduction in mid-October, ATF prices have been on the climb since September. IOC and other state retailers, Hindustan Petroleum and Bharat Petroleum, had on October 1 and September 16 and raised jet fuel prices by 2.5 per cent and 1.5 per cent respectively, as imports became costlier due to fall in rupee against the US dollar. ATF in Mumbai, home to the nation's busiest airport, will cost Rs 63,228.40 per kl from tomorrow as against current rate of Rs 61,983.64 per kl. Jet fuel makes up for 40 per cent of an airlines' operating cost and the steep hike in prices will raise burden on the cash-strapped airlines. No immediate comment was available from airlines on the impact of the price hike on passenger fares. ATF prices vary from airport to airport, depending on the local sales tax or VAT.

The three fuel retailers revise jet fuel prices on the 1st and 16th of every month, based on the average international price in the preceding fortnight.

New MRO facility at Hyderabad Intl Airport to take off tomorrow

The Airframe Maintenance Repair and Overhaul facility at Rajiv Gandhi International Airport here is slated to commence operations tomorrow and has in-principle commitments from airlines to be its first customers, a senior MAS-GMR Aerospace Engineering official said today. The new MRO facility was set up by MAS-GMR Aerospace Engineering Co Ltd (MGAE), a 50:50 joint venture between GMR Hyderabad International Airport Limited and Malaysian Aerospace Engineering Sdn Bhd, a subsidiary of Malaysia Airlines System Bhd (MAS). R V Seshan, the CEO of MGAE and GMR Group Executive Vice-President (Corporate Strategy and Planning), said the company has received statutory clearances from all regulatory bodies, including the Directorate General of Civil Aviation (DGCA), to operationalise the facility from November 1. "We have got all the statutory clearances from all the regulatory bodies including DGCA. We are ready to take off from November 1," Seshan told PTI. However, while the company has in-principle commitments from key potential customers at this point of time, there were still formalities left to be completed, he said, declining to name the companies.

Traffic missing, business gone; Jaipur Intel airport just on paper

On December 29, 2005, the Sanganer Airport in Jaipur was granted international status. Nearly six years later, Jaipur airport hardly seems to fit the bill for a converging point of international flights. According to the Airport Authority of India (AAI) traffic statistics, the Jaipur airport hasn't fared well in terms of international passenger traffic, aircraft movement and international freight. As per AAI data, Jaipur airport reported a decline of 11.8 per cent in international passengers during August 2011 compared to the same period last year. A 7.3 per cent decline was reported in international passengers during the five month period between April and August 2011 compared to corresponding period in 2010. Against 18,524 international passengers during August 2010, 16,339 international passengers were reported at the airport in August 2011. International passengers catered by it during April to August 2011 fell to 92,416 from 99,730 during the same period last year.

Helicopters in Mumbai fly half the recommended altitude

Helicopters in Mumbai fly too close to the surface for comfort. Against a recommended altitude of 1,000 ft. above the tallest building in an area (obstruction level), they fly at 500-700 ft. from obstruction level and sometimes come as low as the height of the buildings. The risk of flying low, say pilots is that

when there is total engine failure, a helicopter cannot be manoeuvred to open spots and risks crashing on populated areas. The 1,000-ft altitude, a recommendation of the International Civil Aviation Organization (ICAO), is for allowing helicopters a better chance of being manoeuvred to open spaces like parks or even the sea to minimise casualties on the ground. Pilots say flying altitudes are determined by air-traffic control (ATC), which follows rules set by the Airports Authority of India (AAI). AAI officials say the 1,000-ft altitude cannot be permitted for helicopters because they will then come in the flight path of aeroplanes ascending from or descending to the airport. How then is the ICAO's recommendation followed in cities like New York and London? "There, all flight operations are under radar monitoring. But in Mumbai, non-scheduled flights (for example, helicopters) are not covered by radar. This makes it impossible to coordinate the movement of helicopters and aeroplanes at the same altitude," said an AAI official. "In India, the ATC radar cannot track helicopter movements. Countries like the US, Australia and the UK extend radar coverage to both scheduled and non-scheduled flights. ATCs there assign flight levels to both aircraft and helicopters, depending on air traffic. It's high time that Indian aviation monitored small aircraft and helicopters both for internal security and air safety." ICAO's 1,000-ft recommendation "was made keeping emergency situations in mind", said a pilot. "Just because it is only a recommendation and not a mandatory rule does not mean that we ignore it. The recommendation is followed in countries around the world. "A pilot said risk was an integral part of flying a helicopter in the Mumbai of present. In the last 10 years, many buildings in the city have come up which are more than 500 ft. tall, examples being Antilia (568 ft.) and the Imperial "Twin" Towers (833 ft.) in Tardeo. Because of this, and particularly when visibility is low, safety solely depends on the pilot's skill and knowledge of terrain. "In times of low visibility, a helicopter pilot can only guess the presence of a building or a hill. Since ATC cannot trace the helicopter on its radar, it cannot warn the pilot about the presence of an obstruction in the path," an AAI official said. "It was not dangerous to fly so low in the city 10-15 years ago, when there were few tall buildings," said a pilot. "But now that the height limit for buildings has been relaxed to 300 metres (beyond a radius of 9 km from the airport), the obstacles are far too many. "True, the AAI designated corridors for non-scheduled flights last year, which has made helicopter flying smoother, but the risks regarding altitude remain." The designated corridors lie among Juhu, Mahalaxmi and Navi Mumbai. Pilots' associations are in talks with the AAI to device ways to make helicopter operations safer. "We are asking the AAI to prescribe a standard altitude for helicopters above the obstruction level. For instance, if a helicopter is to fly towards South Mumbai, a suitable altitude at least 500 ft. above the tallest building in that area can be assigned. This way, safety can be ensured," said a representative of one of the associations. AAI's executive director, western region, Pawan Kumar Nagpal was not available for comment.

POSSIBLE SOLUTION

Helicopters in Mumbai are compelled to fly lower than pilots would like because of air-traffic control's inability to coordinate the flight paths of both aircraft and helicopters at the same altitude. A possible solution to the problem is a shift from radars to Automatic Dependent Surveillance-Broadcast (ADS-B), a surveillance technology for tracking aircraft. ADS-B is automatic and dependent on accurate Global Navigation Satellite Systems (GNSS) signal for position data, provides 'radar-like' surveillance services without the limitations of radar, and continuously broadcasts aircraft position and other data to any aircraft or ground station equipped to receive ADS-B while radar works by bouncing radio waves from fixed terrestrial antennas off airborne targets and then interpreting the reflected signals, ADS-B uses GNSS and a relatively simple broadcast communications link.

IDEAL ALTITUDE

The International Civil Aviation Organization recommends for helicopters an altitude of 1,000 ft. above the height of the tallest building in an area to allow them a better chance of being manoeuvred to open spaces like parks or even the sea to minimise casualties on the ground in case of engine failure.

Hyderabad airport should be 'hub of choice'

GMR Hyderabad International Airport Ltd (GHIAL), which operates the Rajiv Gandhi International Airport, Hyderabad, wanted to make Hyderabad a gateway to south and central India, said Vikram Jaisinghani, Chief Executive Officer (CEO), GHIAL. It took lesser time and was less expensive travelling via Hyderabad than via other connecting airports for both domestic and international travel, he said. Hyderabad should be the 'hub of choice' as the airport and infrastructure were ready and now it offers connectivity as well. GHIAL is looking at travellers from a catchment area of 72 million people in 20 cities. They are mostly Tier-II and Tier-III cities that are within one to one-and-a-half hour's flight time from Hyderabad such as Rajahmundry, Thiruvananthapuram, Indore, Nagpur, Pune, Goa and Bhubaneswar. Of these, 13 were particularly being given top priority, including Mangalore, he said. The target travellers will be from both the low-cost segment and the 'normal' travellers. He said that while it took 8 hours and 35 minutes from Mangalore to Kolkata via Mumbai, it took 7 hours and 45 minutes via Bangalore, and 6 hours and 45 minutes via Hyderabad. A flight from Mangalore to Delhi via Mumbai took 8 hours and 20 minutes, 9 hours and 35 minutes via Bangalore, and 7 hours and 20 minutes via Hyderabad. It took 6 hours and 30 minutes from Mangalore to Vishakhapatnam via Bangalore and four hours via Hyderabad.

CARGO

He said the company wanted to make Hyderabad a hub for cargo in India. It handles 30,000 tonnes per annum, which it wants to double in the next one to two years. The airport cargo complex has a pharma zone, including a cold chain for life-saving drugs.

GMR group targets 20 cites to garner hinterland air traffic

To provide better connectivity to nearly 20 centres in the catchment areas of Hyderabad airport and to improve passenger traffic at the airport, GMR Hyderabad International Airport Ltd (GHIAL) has launched a new service called 'Fly via Hyderabad'. Speaking to Business Line in Mangalore, Mr Vikram R. Jaisinghani, Chief Executive Officer of GHIAL, said that this product would provide better domestic and international connectivity to around 20 tier-II and tier-III cities in south and central India. The flying time from Hyderabad to most of these tier-II and tier-III cities is one-and-a-half hours. The 'Fly via Hyderabad' product is less time consuming compared to transfer via other airports, he said. Explaining this, Mr Jaisinghani said that if a person wants to travel to Kolkata from Mangalore he will have to spend 8.35 hours if he travels via Mumbai airport, and 7.45 hours if he goes via Bangalore airport. The travel duration will be 6.45 hours, if that person travels via Hyderabad. Some of the cities in the catchment areas of Hyderabad airport include Mangalore, Aurangabad, Tirupati, Nagpur, Goa, Indore and Bhubaneswar.

Delhi airport plans 640% increase in user tariffs foreign airlines may be forced to move

A proposal by the capital's airport operator to raise user tariffs by 6.4 times has set alarm bells ringing among foreign airlines who say they will be forced to look for alternatives to the New Delhi airport if these hikes are implemented. The Airport Economic Regulatory Authority (AERA), the body that regulates private airports in the country, is expected to initiate stakeholder consultations on tariff proposals for Delhi and Mumbai airports soon. A senior official at the airport regulator said the GMR Group-owned Delhi International Airport (DIAL) has sought average hike of around 640%. Mumbai International Airport (MIAL), led by GVK Power and Infrastructure, has also sought a tariff revision from the airport regulator though it is not as steep as DIAL's. However, the exact range of the hike sought by MIAL from the regulator could not be determined. "There is no simplistic number to the airport tariff hikes asked by MIAL. They have presented multiple scenarios for our consideration to boost their revenues, all of which entail a variable impact on airport costs," said the AERA official. Airport tariffs are largely paid by airlines and include charges levied for aircraft landing and parking, ground safety and handling services for passengers and cargo, and fuel supply for aircraft. DIAL officials say they

have asked for a revision of charges but refused to disclose the specifics of their proposal. "The tariff structure is very lop-sided. We will incur a loss of about Rs 800 crore this year because tariffs have not been revised since 2001. So, we have asked for a revision in tariffs from the regulator," said Sidharath Kapur, GMR Infrastructure's chief financial officer (airports). The Delhi airport's tariffs had been raised by 10% in 2009 as per the operation, management and development agreement (OMDA) it signed with the government and the Airports Authority of India (AAI). But foreign airlines are clearly alarmed by the prospects of a significant hike in charges. Finnair's director for the Indian subcontinent Kari Stolbow said the proposed hikes could force airlines to shift base out of Delhi. "Delhi is an important destination, but this kind of move may force airlines to look around for other possibilities," he said, pointing out those flight frequencies to and from India on the whole are growing faster than Delhi.

Stolbow's counterpart at Air France-KLM, Pieter De Man, said Indian airports like Mumbai and Delhi are already among the most expensive for airlines to operate from. "The rise in charges proposed could effectively result in airlines abandoning their operation to and from India," Air France-KLM's general manager for the Indian sub-continent said. While abandoning operations may seem like an extreme step, Malaysia-based low-cost carrier Air Asia had earlier this year ceased operating to and from Hyderabad after a revision in tariffs. Suresh Nair, Air Asia's regional manager (India, Sri Lanka and Bangladesh), believes the hike sought by DIAL would be dangerous for India's aviation business landscape as it will set a precedent for Mumbai airport developer MIAL, where GVK Infrastructure is AAI's private partner. "Low-cost models, especially ours, don't work if cost of operations is high. If this hike happens, every airline will have to pass it on to customers and high fares are bound to dampen demand," Nair said. Whether they abandon the Delhi airport or not, airlines would most certainly recover the rise in tariffs through higher airfares. "Higher airfares result in a drop in demand. It is evident that on the whole the aviation industry is not profitable and actions such as these further deteriorate the situation for the airlines and their customers," said De Man. Industry experts reckon that every departing domestic passenger from New Delhi airport indirectly pays around Rs 250-280 as airport charges. If the airport regulator accepts DIAL's proposal, these fees could go up to as high as Rs 1,600-1,800 per passenger. But some analysts like KPMG's aviation director Amber Dubey, say airport charges have been amended only twice in the last decade, despite a significant increase in capital expenditure and operating costs. "AERA may consider a reasonable increase in DIAL's tariffs. One option is to spread the increase over a long period using the present value calculation. However, the period has to be aligned with the tenure of DIAL's long-term debt," he said. Another sector expert who did not want to be named said that there was nothing unusual about DIAL asking for a hike in airport tariffs.

"Even Mumbai will do the same as it has a large capex plan and every investor wants a return," he said. DIAL has to share 46% of its revenues with the government and to reduce its losses and turn the corner; it wants user charges to be raised. It also wants to finance further capital expenditure with additional Airport Development Fee (ADF) but the Supreme Court stayed the collection of this fee and termed it as a 'tax'. In an August 2011 report, Bank of America & Merrill Lynch analysts Deepak Agrawala and Bharat Parekh put an 'Underperform' rating on GMR Infrastructure. They said tariff determination by the AERA would be 'key to the turnaround in profits'.

Haze cuts visibility, fog alarm at IGI Airport

A thick cover of haze brought down runway visibility at the IGI Airport down to 600m on Tuesday morning. While no flights were affected, airport officials are a worried lot since only one runway at present can cater to aircraft in CAT-III condition dense fog. The Met department has predicted a colder and fog-gier winter as compared to 2010. "Visibility has steadily been dropping since the past two days and was fluctuating between 600m and 800m on Tuesday morning. Fog is yet to set in, but in the absence of windy conditions, dust and pollution have settled down into a haze. This is quite worrying since the airport has not managed to sort out the problem with the main runway's instrument landing system and only the new runway is capable of handling aircraft if visibility falls below 350m," said an airport official. Met director (IGI) R K Jenamani said that this year dense fog instances would be normal, but more than what was recorded in 2010. "This year we have not had very heavy rains and sea temperatures have also been more or less normal. Because of that we are expecting normal fog. However, in the absence of any strong western disturbance dense fog is not likely for another five days at least. In case it rains later in the month, we can have a couple of spells of dense fog," he said. In 2008, the first spell of dense fog occurred on October 6-7 while in 2009 it happened on November 5-6. Cat-III dense fog in 2010 set in on November 18. Meanwhile, airport management and Airports Authority of India are working at a frantic pace to sort out the matter with the main runway's instrument landing system. A couple of months earlier the ILS was downgraded from CAT-IIIB to CAT-II, capable of handling operations only in a minimum visibility of 350m, after its signals started getting dispersed. Officials finally narrowed down on the culprit, the new cargo complex with a metallic facade. A DIAL spokesperson said: "AAI had requested us to try several approaches to help them resolve the problem including covering of the steel scaffolding and other structures with polythene sheets, lowering/dismantling of cranes etc. We are covering the metallic frame work of cargo construction with 12mm plywood. We have also approached M/s Thales, the ILS vendor, for a professional assessment of the equipment installed by AAI and recommending short and long term measures to address the issue, if any." "If we have only the new

runway to bank upon in foggy days it would be a disaster. It tends to get zero visibility more frequently than the other runways and is also very far from the low-cost carrier terminal 1D. It would take LCCs ages to make their way to and from the terminal in dense fog," said a source.

Depressed, suicidal flyer bites airhostess & cause panic mid-air

"I will kill myself and the all people onboard!" Panic seized the Jet Airways Mumbai-Ahmedabad noon flight passengers on Tuesday as a man threatened to break the window of the aircraft and open the door at the height of several thousand feet. Later identified as 30-year-old Hardik Trivedi, the frenzied man attacked an airhostess before being overpowered by the fellow passengers.



Before Trivedi actually attempted to open the door, he created a ruckus and bit an airhostess, who was trying to calm him down. He started running in the aisle of the aircraft like a man possessed, threatening to kill all. Scared but fellow passengers overpowered Trivedi and bashed him into submission even before the cabin crew could initiate measures to bring the situation under control. In the fisticuff with the passengers, Trivedi tore his passport in a lame attempt to protect his identity. On his way back from Muscat, Trivedi later said that he was angry as he was duped and had lost his job there. On the request of the cabin crew, a doctor, who happened to be on the same flight, injected Trivedi with tranquilizers to calm him down. "He seems to be suffering from severe depression," the doctor who treated him in flight told the TOI correspondent who was also onboard. The cabin crew had to alert the medical and police staff for assistance before landing. From airport, Trivedi was taken to Apollo Hospital for brief treatment. As requested by the crew, police were present at the Ahmedabad airport when the aircraft landed here; however it was decided not to file an FIR as Trivedi was obviously suffering from a severe mental set-back, officials said.

Jeweller held at airport for Rs 2 crore diamond fraud

A Jeweller, who allegedly duped a diamond merchant of Rs 2 crore before fleeing the city and had an Interpol red corner notice against him, was arrested by immigration authorities at

the Chhatrapati Shivaji International Airport on Thursday evening. Sagarkumar Narrotamdas Dhakan (36) — who was trying to slip back into the city after jumping bail in Dubai — was handed over to the Mumbai Police Crime Branch. The police said Dhakan is wanted in a case of cheating and forgery registered at L T Marg police station earlier this year. He was arrested in Dubai last month on the basis of an Interpol red corner notice issued at the instance of the Crime Branch. The police said he was trying to slip back into the city to avoid being extradited to India and into their custody. "Some of his associates were arrested in the case, but Dhakan fled the city. An Interpol red corner notice was issued against him on the basis of which he was arrested in Dubai a few weeks ago," said Joint Commissioner of Police (Crime) Himanshu Roy.

AAI mulls Railtel as alternative service provider

The air traffic control tower (ATC) of the Chennai airport is exploring the possibilities of using an alternative service provider for its communication network, and is in discussion with Railtel, the railway telecommunication network. A senior Airports Authority of India (AAI) official told The Hindu on Thursday that with the recent introduction of air traffic management automation at the Chennai tower, the need for an alternative service provider was felt. At present AAI is dependent on the BSNL for all its communication such as Very High Frequency (VHF) coverage and Radar Data Processing System. With a single service provider, whenever there is a problem in the system, the entire network gets affected. Hence, it is proposed to explore the possibility of having an alternative service provider. A dual link is essential for better VHF coverage with re-routing network capacity. AAI is also looking for a dedicated satellite communication network to improve the VHF coverage and also to get data without any problem when both service providers fail. Nearly a month after the introduction of new automation system at the tower, the provision of air traffic service in the restructured upper and lower air spaces are satisfactory. So far no major problems have been encountered. The feedback from the airlines community is also encouraging but for minor issues, which can be solved easily, the official said. In the new system direct routing has been introduced, which helps reduce flying distance up to nine nautical miles for an aircraft from one airport to the other, resulting in reduced fuel consumption and lesser pollution. Air traffic controllers are able to monitor the aircraft continuously on the networked radar environment. Both air traffic controllers and pilots have been relieved of their stress to a great extent.

Macchiwara can't be Int'l Airport

The Union ministry of defence has denied approval for the installation of instrument landing system (ILS) at Macchiwara airport washing away the tall claims of Punjab government for starting international flight service from airport. After the failure

of lone flight at Sahnewal airport, the Macchiwara airport could have proved beneficial for the state's industrial hub. Confirming this, aviation adviser to Punjab government, Captain Abhay said, "Air Force had raised objection against the presence of an airport as their air base, Halwara, is very near therefore Airports Authority of India has been denied permission for installation of ILS." He added that now AAI could send their proposal again while making some amendments in their design. Sources revealed that state government had preferred Macchiwara airport over Sahnewal for turning into an international airport because they were given an offer from nearby landowners that they would provide land for free if they are assured that international flights would land here on the other hand, near Sahnewal airport, authorities are facing several hurdles in acquiring land. Almost four years have passed since it was announced to make Macchiwara an international airport after Amritsar and Mohali. Now, it would take another five years for its completion if ministry considers the proposal again, said sources. "Instead of going to Mohali or Amritsar, we could have just got a flight from Macchiwara. It's a bad news for industry," said Vinod Thapar president of Knitwear Club.

What's ILS

An ILS is a ground-based instrument approach system that provides precision guidance to an aircraft while landing. It helps in safe landing during instrument meteorological conditions (IMC) such as reduced visibility due to fog, rain, or blowing snow.

CBI files case against DGCA Dy. Director for dodgy aircraft deal

The Central Bureau of Investigation (CBI) has registered a case against one of the senior-most officials of the Directorate General of Civil Aviation (DGCA), accusing him of causing a loss of Rs 1 crore in an old aircraft deal. Raje Bhatnagar, Deputy Director, DGCA, was suspended earlier this year after a DGCA probe found him guilty of favouring his wife's company, Global Aviation, by getting it business worth crores without any prior intimation to, or permission from the government, according to a report by Neeraj Chauhan in The Times of India. The preliminary inquiry report by S N Dwivedi, Director (Airworthiness), DGCA said, "He (Bhatnagar) has used his official position and influence to obtain benefits from M/s Global Aviation, New Delhi, through his second wife as proprietor for financial dealing worth crores. It is recommended that a vigilance inquiry be ordered to investigate the matter." It added that Bhatnagar was posted as senior airworthiness officer in Bhopal from July 2004 to May 2007 before moving to Delhi. The firm in question, Global Aviation, was approved by the DGCA in October 2006. The CBI probe concentrates on the sale of one Learjet 24 aircraft to Kolkata-based M/s Aircraft Maintenance and Engineering Institute Pvt Ltd (AMEIPL) from Global Aviation, which reportedly deals in small aircraft and parts. A senior CBI

official revealed that Bhatnagar, then senior airworthiness officer, entered into a criminal conspiracy with Meenal Bhatnagar and Mohammad Irshad Ali of Global Aviation to promote the business interests of their company and misused his official position by inducing one Acharya Satyanand of AMEIPL – Kolkata, telling him that he can get the required approval from the DGCA for his institute. Officials said the case was registered in Delhi and that further investigations are on.

Not a stopover to snub, Delhi now wants to be a transit hub

The Changi Airport Group in Singapore has made it a roaring success. The Dubai Airport sees it as a huge money spinner. And now, Delhi International Airport Ltd, or DIAL, wants to follow in their footsteps. It wants to make Indira Gandhi International Airport the next international transit hub. The Singapore and Dubai airports handle 140,000 and 110,000 passengers daily, respectively. And, half of these are transit passengers. They contribute 30 per cent to the total sales at the airports. DIAL has seen a sixfold rise in the number of transit passengers to 6,000 in the past one year, but it's just 7.5 per cent of the 80,000 passengers handled daily and contributes only six per cent to the total sales at the airport. "Around 80 per cent of our transit passengers are international and the rest are domestic. The international passengers are mainly from Bangladesh and Nepal. They contribute almost six per cent to the total revenue from sales at our airport," said I Prabhakar Rao, chief executive of DIAL, a GMR Infrastructure-led consortium. The Delhi airport operator sees a silver lining in the rising transit passenger numbers amid ballooning losses. DIAL, which spent Rs 12,700 crore on modernising the airport, incurred a loss of Rs 450 crore in 2009-10 and is expected to post Rs 800 crore in losses this financial year. It is losing Rs 2 crore daily after a court order stopped it from charging the airport development fee till the airport regulator allowed it. All that has led to an all-time high borrowing of Rs 600 crore. The DIAL management agrees it is at a disadvantage, as it does not have a strong flag carrier to give it volumes. Air India (AI) does not have the strength to make it possible. "That's why we are talking to a lot of international airlines to use our airport as a transit point," said Rao. DIAL is also in talks with the government to allow more private Indian carriers to start international flights. "There are various routes where Indian carriers have not been able to utilise their quota of seats, whereas their international counterparts have done so. If Indian carriers are allowed, we will get a lot of passengers and, hence, revenues. "However, the civil aviation ministry has its own compulsions. It has to keep state-owned AI's interests in mind while allowing others to fly abroad. With Rs 20,000 crore in accumulated losses and Rs 42,000 crore in debt, AI has time and again asked the ministry not to allow any other carrier, neither domestic nor international, to fly international till it started making profits. "All Indian carriers do not want the government to sign any more bilateral agreements, which means a virtual stop to any more

international airlines from coming to India," said a senior ministry official. Analysts and airlines say DIAL needs to think out of the box to make the airport an international hub. "We also want Delhi to be an international hub but it cannot happen if only we work towards it. The airport operator should ensure the cost of infrastructure and facilities it provides are cost-effective and we are incentivised to bring in passengers," said Suresh Nair, regional head for Air Asia, a Malaysia-based low-cost carrier. He said the Singapore airport incentivised carriers by paying SGP \$5 per increased passenger. India is one of the fastest growing aviation markets and every airline wants to grab a share of the pie. It has witnessed a passenger growth of 20 per cent, among the largest in the world. Six major Indian carriers with 400 aircraft catered to 143 million passengers, including 38 million international, in 2010-11. Indian carriers flew 35 per cent of the international passengers. Since the Delhi airport does not have the advantage of a strong flag carrier, an executive of an airline body said the airport operator should "focus on increasing the passenger volume and not airport charges, which might adversely impact its growth". The operator has reportedly sought the Airports Economic Regulatory Authority's approval to raise aeronautical charges 650 per cent. Air Asia recently pulled out of the Hyderabad airport because of a high user development fee. The airport is run by a GMR-led consortium. The executive said it was the right time for Delhi airport to do what it could. "Things will only get worse in the future, when various other airports will also come up in the country," he said. "People go to airports in Singapore and Hong Kong because they provide huge shopping arenas and have extremely friendly customs and security staff. These aspects need to improve at the Delhi airport," said Amrit Pandurangi, senior director, Deloitte Touche Tohmatsu.

AAI proposes to spend Rs 17.5k cr during 12th plan

During 12th Plan the country's largest airport operator, Airports Authority of India (AAI), has proposed to spend Rs.17,500 crore during the 12th Five-Year Plan (2012-17), up 40% from the 11th Plan period, in building and upgrading the airport infrastructure. While AAI plans to fund major chunk of developmental works through internal accruals it expects to get Rs. 5,000 crore from the government as gross budgetary support (GBS). AAI has projected domestic passenger demand to grow to 500 million annually by 2030, requiring dozens of greenfield airport facilities across the country. It plans to build 28 low-cost airports in the next few years besides modernising the existing facilities. "We would need to invest Rs. 450 crore in greenfield airport projects in the next few years," an AAI official told a newspaper. AAI chairman VP Agrawal recently said that the authority was looking at reviving unused airstrips to meet growing demand. The airport operator has modernised 35 non-metro airports in the last four years besides taking up major upgrade works at Chennai and Kolkata spending over Rs10,000 crore. The public sector agency would create

additional capacity for handling 25 million passengers in the next 2-3 years.

India: the world fastest growing domestic aviation market

India was the fastest growing domestic market in the world in Sep-2011 with 18.4% year-on-year growth. Traffic growth in the India market exceeded the growth rate seen in China (9.7%) and Brazil (7.5%) in Sep-2011, and was considerably more robust than the global growth rate of 3.8%. India's domestic aviation market expansion has been the strongest in the world, tripling in the past five years, according to IATA, to become the ninth largest aviation market in the world. Given the strong market fundamentals, the robust rate of growth is expected to continue. IATA forecasts that the Indian civil aviation market will register a compound annual growth rate (CAGR) of more than 16% during the period 2010-2013. Looking further ahead, the Indian Ministry of Civil Aviation's Vision 2020 statement envisages a compound annual growth rate of around 15% in the next five years. Investment opportunities of USD120 billion are envisaged up to 2020 with USD80 billion on new aircraft.

US apologies for Kalam's frisking

The US has apologised to former President A P J Abdul Kalam who was twice subjected to frisking at New York airport by American security officials who even took his jacket and shoes to check for explosives, an incident that left India fuming. "We deeply regret the inconvenience that resulted for him (Kalam) as a result of the September 29 incident involving the security screening at JFK Airport in New York," a statement from the US Embassy here said, noting that it had the utmost respect for Kalam. 80-year-old Kalam was frisked in New York on September 29 before boarding an Air India flight. Sources said that even after Kalam had taken his seat in the aircraft, the US security personnel forced the crew to open the door and took away the jacket and boots of the former president to check for explosives since they had forgotten to do so before his boarding. The items were later returned to Kalam. Outraged at the frisking incident, India today threatened retaliatory action against US dignitaries unless such "unacceptable" practices were stopped. External Affairs Minister S M Krishna spoke to Indian Ambassador to US Nirupama Rao and directed her to take up the matter in writing at the "highest level" with Washington. In its damage control exercise, the US came out with a written apology to Kalam and the Indian government, saying "appropriate procedure for expedited screening of dignitaries had not been followed". They also said that US was actively working to prevent such incidents from occurring in the future.

Commerce and aviation ministries agree on FDI from foreign airlines

The commerce and civil aviation ministries have agreed on allowing foreign airlines to pick up stakes in Indian airline companies but they still have to take a call on whether the FDI cap would be 24% or 26%. The two ministries are slated to discuss the matter soon. Talking to FE, commerce and industry minister Anand Sharma said: "A proposal has come from the civil aviation ministry and it is receiving our active consideration. A (Cabinet) note will be circulated only after the inter-ministerial consultations." Last month, the civil aviation ministry had written to the Department of Industrial Policy and Promotion (DIPP) agreeing to equity participation by foreign airlines in domestic carriers, proposing to allow foreign airlines to invest up to 24% in local carriers within the existing cap of 49% for foreign investors. However, DIPP is not happy with the aviation ministry's proposal of 24% cap and had suggested a minimum of 26%. A top DIPP official had told FE that below 26% stake would not suffice to attract investors (foreign airlines). Meanwhile, on being asked if the ministries were speeding up the FDI proposal, considering the ongoing Kingfisher crisis, Sharma said: "It is not so, a proposal had been lying with the two ministries long back and now that the civil aviation ministry has suggested a move, it is now under consideration."

Airlines heads meet PMO, discuss concerns on high fuel cost

Airline industry bigwigs met the Prime Minister's Office (PMO) on Saturday with a wish list that could help them fly into the black. The sector is estimated to post losses of around \$3 billion in FY11-12, according to Centre for Asia Pacific Aviation (CAPA). The meeting was attended by industry bigwigs like Naresh Goyal, chairman, Jet Airways, Vijay Mallya could not attend the meeting but Sanjay Agrawal, Kingfisher's CEO along with Aditya Ghosh, and CEO of Indigo Airlines amongst other operators gave their valuable suggestions at the meeting.

Here is what they had to say

Five years ago, when aviation turbine fuel cost around \$60 for a barrel, they never complained paying a sales tax of anything between 25-33% on the commodity. But now, when fuel is priced at \$115/bbl., they are being charged the same rate of tax, so where is the government support for aviation? Industry representatives pointed out that the price which they pay to buy ATF is 70% higher than what carriers pay in other parts of Asia. "If ATF is brought under declared good category, it will attract a uniform sales tax of 4%," said one of the airline operators during the meeting, according to a source. ATF constitutes 40% of the operating cost to an airline and with its price escalating quarter-on-quarter, operators are facing margin pressure. Meanwhile, aviation stocks have been hammered this

year, weighed down by ballooning debts, high fuel cost and low yields. Shares of Jet Airways, Kingfisher Airlines and SpiceJet have fallen anything between 62-72% in the past one year versus a 19% fall in Sensex. Jet was down 2% to Rs 274.75, Kingfisher was also down 1.66% to 26.65 and SpiceJet also followed trend by slipping 2% to 22.90 at 12:40 hours.

Fake passport cases go up



It used to be a 'non-serious crime' with punishments confined to on-the-spot fines. But then an increasing number of people found this a way to make quick money. Fake passport cases have seen a sudden spurt in the last few years with the maximum cases being detected at Cochin International Airport. While just 12 cases were registered at the airport in 2008, the figures over the next two years stood at 98 and 109 cases respectively. Investigators detected a trend where many NRKs, either pawned their passports to sponsors or banks to avail of credit, but fled the Gulf by obtaining fake passports when they defaulted in repayment. "Currently, there are 301 fake passport cases connected with the UAE under investigation. In about 75 per cent of these cases, the accused fleeing from Gulf nations were caught at immigration in Kochi with fake passports," an official of the crime detachment wing said. Most of them were photo substitutions, meaning that they were using someone else's original passport and just replacing the photograph with one of their own, he said. According to the official, the accused were mainly found using fake passports to make some easy money in three ways. "A section, especially from Malappuram, applies for passports as soon as they turn 18. They then go to the Gulf on a temporary visa (90 days) that may cost Rs 10,000 to Rs 15,000. On reaching the Gulf, they will sell their passports to agents for a handsome sum of money. "They stay on and work for over a couple of years before returning to their native land after having obtained a fake visa," said the official. Others could take up attractive jobs though their original sponsors might not be willing to relieve them and return their passports. And yet others could pledge their passports to their sponsors and banks to obtain loans and flee without repaying the money,

he said. Before 2006, a Forgery in a passport was settled with an on-the-spot-fine, however today the authorities have amended the IPC to mete out jail terms as punishment.

CISF men get training to keep airports safe

The Central Industrial Security Force (CISF), which controls security at all commercial airports in the country, has initiated training for personnel exclusively for the aviation sector. As many as 1,400 people recruited for the airport sector are undergoing training at different levels at the Recruit Training Centre in Arakonam, which has got accreditation from the Bureau of Civil Aviation Security (BCAS) in May 2011 and has been entrusted with imparting basic aviation security training and aviation security management courses. This will be bolstered by the training centre at Chennai airport, which has been approved by the BCAS and is expected to commence training soon. This will be a change from the past when CISF personnel deployed at airports were trained either at centres such as the National Industrial Security Academy in Hyderabad or at airports that had such training facilities. It will also help bolster security at the airports. CISF, which deploys 40,000 personnel for security duty at about 65 commercial airports in the country, is facing a widespread shortage of staff. "The shortage of security staff at the city airport is less than 100 personnel and it is not a big gap compared to other metro airports, but the requirement of security personnel would increase when the new terminal buildings start operating next year," said an airport official in Chennai.

Central staff get air travel sop to attract tourists to the Northeast

The Union tourism ministry has renewed air travel concessions for central government employees to attract tourists to the Northeast. An official statement issued here today by the tourism ministry said the government has relaxed Central Civil Services (Leave Travel Concession) Rules, 1988, to enable the central government employees to travel by air to the Northeast. According to the proposal, group A and group B central government employees will be entitled to travel by air from their place of posting or nearest airport to a city in the Northeast or the nearest airport. The ministry said other categories of employees would be entitled to travel by air to a city in the Northeast from Guwahati or Calcutta. All central government employees will be allowed conversion of one block of hometown LTC into LTC for destinations in the Northeast. This means that employees can use LTC meant to visit their homes for travelling to tourist destinations. The minister of state for tourism, Sultan Ahmed, announced these decisions in a written reply in Lok Sabha recently. An official of the Meghalaya tourism department today said the initiative would definitely boost tourist flow to the Northeast, including Meghalaya.

MILITARY

India denies political reasons in aircraft deal

India Friday ruled out any "political considerations" while awarding the multi-billion dollar deal to acquire 126 combat aircraft. "There will be no political considerations in defense procurement and that is our stand which everybody knows," Indian Defense Minister A.K. Antony told the media here. "Defense procurement is strictly professional and (based on) price. Technical evaluation is 101 percent professional and then after that comes the price," he added. The combat aircraft deal is in its last phase with the opening of commercial bids of two bidders -- European Eurofighter and French Dassault Rafale. The Eurofighter Typhoon combat aircraft bid is backed by four partner nations including Germany, Italy, Britain and Spain while the Rafale bid is backed by France. In April, the Indian Defense Ministry had shortlisted the two aircraft companies while four companies including American Lockheed Martin and Boeing, Russian MiG 35 and Swedish Saab were rejected.

India, China Militaries Go Local



Fighter technologies have evolved at an impressive rate since the end of the Cold War. In industrial defense establishments across the world, the production and development of relatively cheap and viable versions of fourth generation aircraft continues. Incorporation of modern electronics suites and advanced upgrades has extended the life of such platforms for decades. At the same time, defense corporations and government contracted tech giants are focusing on newer breeds - fifth generation aircraft that boast the latest in stealth technologies, advanced interlinked sensor suites and more. While the side-by-side upgrades of the old and development of the new have in large part been a mainstay in America, Russia and Europe for decades, this hasn't been the case in Asia. Previously, the procurement and operation of combat fighter platforms in Asia saw most countries benefit from the industrial patronage of the big Cold War powers. Chinese airfields and

Indian hangars were equipped with durable Sukhoi and Mikoyan-designed fighters, while Japan's skies were home to contracted versions of some of the United States' best. However, economic growth and industrial expansion in Asia has triggered a drive towards producing strong domestic industrial bases in which two countries in the region, India and China, have raced far ahead of regional neighbours when it comes to the rapid maturation of new air combat technologies. Indigenous development processes in both countries are noticeably taking a more strategic, rather than tactical, form. Demand from these countries in the global arms market for new capabilities has led to the consolidation of many existing bilateral trade and industrial relationships in the region. Beijing is edging closer to Islamabad, while New Delhi has actively sought involvement in joint industrial ventures with countries like Russia, the United States and many of India's south-easterly neighbors. It's clear that emerging military-industrial partnerships represent a strategic balancing act on the continent, something which can most visibly be seen by looking at the endeavours of the region's indigenous air combat industries. Both India and China have, in their bid to acquire competitive fourth generation fighter capabilities, engaged in productive joint ventures with regional neighbours aimed at constructing light and versatile air superiority aircraft. Considering specific developments, today's emerging balance of capabilities from such ventures indicates a significant focus on perceived security threats, from enduring tensions between India and Pakistan to emerging conflicts of interest between China and India. For Beijing, lessons learned from previous experiences with Russia have enabled the rise of capable domestic production programs. The most internationally visible of those, a Sino-Pakistani lightweight fighter called the JF-17 Thunder, was recently announced as ready for export, with potential customers from Southeast Asia to Africa. By comparison, India's development of the HAL Tejas, a delta-wing single engine multi-role lightweight fighter, represents New Delhi's similar commitment to the indigenous development of platforms that can both balance against threats from abroad and capably operate in the distinct roles of land-based strike craft and sea-launched first response unit. While there are some unmistakable differences between the two craft – the Tejas is an entirely new design compared to the heavily Mikoyan-influenced Thunder – it's fairly clear that the present production and equipment of both planes is reactive. The Tejas and the Thunder, with numerous hard-points for mixed mission profiles, good range and the ability to fire air-launched cruise missiles, match each other closely, representing the balancing of capabilities that ultimately is the primary goal of Asia's new military-industrial partnerships. However, focus on Russian-based fourth generation aircraft is beginning to fade as new technology begins to emerge. With the testing of China's J-20 fifth generation stealth-equipped fighter in January, China has demonstrated its ability to engage in the domestic development of aircraft that have the potential to compete

with the best technology that countries like America and Russia have to offer. In strategic terms, and in light of suggested export partners like Pakistan, the J-20 represents a counterpoint to the joint Russo-Indian Fifth Generation Fighter Aircraft (FGFA), a multi-variant stealth-equipped platform that promises to be the backbone of both countries' future combat air forces. On the one hand, the FGFA has seen successful prototype tests and promises to deliver advanced air superiority capabilities. The J-20, on the other hand, as yet is likely lacking when it comes to the incorporation of advanced electronics capabilities and fifth-generation stealth-accommodating engines. Still, with a minimal radar cross-section, powerful (if not yet stealth-equipped) propulsion and, given the size of the plane, a considerable amount of internal payload storage, it's worth remembering that the general design of the J-20 indicates awareness of the challenges of facing the kind of capabilities that the FGFA would gift India and others. Even at its most basic level, the J-20 represents a not-so-invisible threat to China's near-abroad as not only a potential competitor to future air superiority platforms, but as a long-range, stealthy fighter-bomber that could be the bane of military installations, ancillary forces and naval units across the region. Ultimately, it's likely that the development of combat fighter industries and partnerships in Asia will continue to denote the strategic mindset of the region's various balancing powers. The domestically-based capabilities of countries to assert influence through the use of dynamic production programs and strategically-positioned strike forces in the near-abroad remains a telling benchmark for judging the state of affairs between countries. Considering how reactive the development of new combat fighter programs appears to have been in Asia, it's a benchmark that looks set to be increasingly determined by the shape of future joint ventures between regional partners.

India and the F-35



After years of development, U.S. government and defense industry representatives have actively started the process of selling the F-35 Joint Strike Fighter (JSF) overseas. Recent focus has fallen on India and Japan, two Asian powers that

Washington sees as important to its future involvement in regional affairs. The, with European manufacturers Dassault and Eurofighter the only finalists for a whopping \$10 billion contract. Still, the Pentagon recently invited India to consider information on the Joint Strike Fighter for future purchases, labelling the craft the world's premier fifth-generation platform and highly suited to the requirements of the original competition. This clear shift emphasis on the part of the Obama administration and the Pentagon underscores the U.S. government's vision of close Washington-New Delhi cooperation, and demonstrates a growing willingness to interface with India's military endeavours on a new level. With that in mind, and considering that India's expanding military modernization plans go far beyond the current competition, it seems very possible that the F-35 may find itself based on the subcontinent in the foreseeable future. In Japan, meanwhile, officials announced that the F-X program, a competition to pick the country's next combat air platform, has become a two horse race between Boeing's F/A-18 Super Hornet and Lockheed Martin's F-35. With its previous attempts to purchase the F-22A, along with Japanese officials' stated preference for fifth generation technologies, it's clear that the JSF is in a favourable position. For those policymakers that support JSF production and those manufacturers that have become dependent on its success, these potential new markets extremely welcome. Pressure is mounting in Congress to include the JSF in future Pentagon budget cuts, but new export ventures could help alleviate both the rising price-per-unit costs (now almost at \$150 million) and much of the mounting pressure to scale back production of the new sophisticated carrier based F-35B variant. In terms of tactical capabilities, the Joint Strike Fighter makes substantive sense for both nations. India and Japan are looking to create diverse forces that can provide advanced air superiority, interdicator and strike capabilities in the context of the relatively proximate threat posed by numerically massive Chinese ballistic and aerial units. Adding the F-35 would compliment the abilities of more numerous 4th generation aircraft and help build a strong balance of capabilities amongst powers in Asia. This is particularly the case for India. From the Su-35 family of Russian aircraft to the advanced FGFA heavy fifth-generation stealth fighter, the capabilities garnered from New Delhi's current range of procurements will enable the country to field a diverse force structure to meet future challenges. In India's case especially, it's worth noting that the FGFA, a future variant of the Indian-Russian PAK-FA fighter, is intended to serve in the same land-based air superiority platform role as the U.S. F-22A Raptor, with advanced thrust vectoring, stealth detection and air-to-air combat capabilities. This would complement the F-35's primary role as a stealthy interdicator in modern aerial warfare mission profiles. Moreover, the naval variants of the JSF may well find themselves extremely attractive to the Indian navy in the future as an alternative to the current 4th generation HAL and MiG aircraft, with the F-35B and C models both capable of being launched from

soon-to-be-introduced domestic- and Russian-built carriers. Despite its many advantages, the biggest obstacle to the F-35 has been the snail-like development cycle and the rising costs associated with buying and operating such an aircraft. Selling the F-35 to India and Japan could remedy this and revitalize the JSF's stagnant future. With the F-35 nearing full production, and with final testing underway on its naval variants, the United States has indicated its willingness to approve at least partial technology transfers, a move that makes JSF procurement more economically lucrative for all parties involved. Ultimately, a future that sees the F-35 in Asia's skies can only benefit the United States, both financially and strategically as the U.S. moves closer to key allies.

IAF to test its synergy in wargames

The Indian Air Force (IAF) will deploy its major frontline combat aircraft, including the Su-30, for a massive joint exercise with the Army in the Jaisalmer sector. The exercise has been codenamed 'Maha Gujraj' which will test the efficiency of conventional integrated land-air warfighting machinery over the desert. "All major war-fighting equipment will be deployed in the joint exercise with the Army over Barmer and Jaisalmer areas," said an IAF official. The exercise, which will mainly see the deployment of assets under the Gandhinagar-based South Western Air Command, has already started on November 20 and will culminate by mid-December. The SWAC area of responsibility extends from Goa, Maharashtra, Gujarat and Rajasthan and has several important air bases such as Jodhpur, Naliya, Bhuj, Jaisalmer, Uttarlai, Jamnagar and Pune under it. It also looks after the maritime security aspect of the western region and has aircraft such as Su-30MKI, Maritime Jaguars, MiG 27 and MiG 21s. During the exercise, the IAF will validate its war-fighting doctrines and practice joint manoeuvres with the Army troops on ground. The Army part of the exercise, which is underway, and has been codenamed 'Sudarshan Shakti', has over 50,000 troops and over 200 main battle tanks mainly from the Bhopal-based 21 Strike Corps and the Jodhpur-based 12 Corps. It is one of the biggest exercises in the recent times. The two services will seriously step up operational synergy along the entire western front and hold the wargames under SWAC chief Air Marshal Anjan Kumar Gogoi and Southern Army Commander Lt Gen AK Singh. The IAF assets would be employed in an integrated manner. Offensive air defence is integral to the exercise that would include interception in enemy territory. More than 100 of fighter sorties, decimation of advancing armour, round-the-clock readiness for fighter and attack helicopters, mobilizations of several ground and airborne air defence assets are being undertaken by the IAF, said an official. The qualities of speed, reach, precision and concentration will normally make aerospace power the instrument of choice. The contours of future conflicts and extent of threat are always difficult to define. However, future conflicts would be localised, short, sharp and highly intense

with limited objectives with control over escalation and disengagement," said Col SD Goswami, defence spokesperson.

Eurofighter, Rafle extend dogfight from India to UAE to win commercial tender

Eurofighter and Rafale, the two finalists in the fray for India's big combat jet order, have extended their dogfight to the UAE to win another commercial tender. So far, only the French Dassault's Rafale appeared to be in the bidding for an order for 60 aircraft for the UAE Air Force but a spokesman for EADS Cassidian, the four-nation consortium which makes the aircraft, confirmed that the company had received a formal Request for Proposal (RfP) a few weeks back and that "we are working hard to deliver a response". Who else has been invited is not known but sources in Lockheed Martin told India Strategic defence magazine (www.indiastrategic.in) that the company was in discussions here "to supply additional aircraft." It is not clear if these "additional" cover a few more, or are the replacement for 60 Mirages that the UAE wants to phase out. Boeing has also made presentations to the UAE on its F/A-18E/F Super Hornet and F-15E Strike Eagle, but again, there are no firm indications on whether the RfP has been sent to Boeing also. Notably, Rafale had completed all the mandatory flight tests and discussions were on only to fix the price. But on Nov 16, Deputy Supreme Commander of the UAE Armed Forces, Shaikh Mohammed bin Zayed al Nahyan, said at the Dubai Airshow that Dassault's proposal was "uncompetitive and unworkable". The French company declined comment. A Eurofighter spokesman, though, confirmed that Britain, one of the partners in the project, had made a presentation to the UAE Air Force on October 17 and after that, the RfP was issued to EADS Cassidian, the four-nation consortium that includes Germany, Britain, Italy and Spain. It may be recalled that the UAE had purchased 80 F-16 Desert Falcons from Lockheed Martin configured with Active Electronically Scanned Array (AESA) and other combat radars in 2000. All of them, designated Block 60 due to specific and exclusive UAE requirements and which cost nearly 25 to 30 percent more than the US Air Force's own F 16s, were delivered beginning 2004 for about \$8.5 billion. The UAE had also ordered the Mirage 2000, again configured to its specific requirements and designated Mirage 2000-9, from Dassault in 1998. An older lot was also converted to the new Dash-9 standards with new avionics, combat radars and laser pods. Overall, there are around 60 Mirage aircraft, equipped with MBDA's Black Shaheen subsonic cruise missiles and advanced weapons. Dassault is supposed to buy these back under its RfP terms, and do whatever -- keep them or sell them. Sources here told this writer that informal discussions on selling the Mirage 2000-9s have been held "at the diplomatic level with India" but that there has been no interest from New Delhi. Details were not given. The UAE's F-16 Block 60 is the most advanced F-16 version and Lockheed Martin brought these to India for flight demonstrations for the

Indian Air Force's Medium Multi-Role Combat Aircraft (MMRCA) competition. Of the six aircraft originally in the fray, the IAF has shortlisted only the Eurofighter and Rafale, and a decision on the choice is likely to be announced by the defence ministry, which is now considering the financial demands for the deal from the two companies. What happens in the UAE should have no bearing on the Indian MMRCA competition as IAF has already selected only Rafale and Eurofighter, disqualifying four others on the basis of number of points scored in flight and weapon tests. The former IAF chief, Air Chief Marshal P.V. Naik, who had announced the decision on shortlisting, observed though that "all the competing aircraft (the US F-16 and F-18, the Swedish Gripen and the Russian Mig 35) were good". The UAE's decision to seek new bids, however, has two implications: That its own selection process has to start afresh, and that the winner in the Indian competition will have to fine-tune its offer in the final negotiations but after the selection.

India to wrap up MMRCA deal in four weeks: IAF

The IAF will make public in four weeks the winner of India's biggest-ever Rs 42,000 crore military contract to acquire 126 medium multi-role combat aircraft (MMRCA), Air Chief Marshal N A K Browne said. "We are calculating very hard. I expect (in) another four weeks, we should be able to wrap it up", Browne told reporters amid intense flurry among the two remaining contenders Eurofighter and Dassault's Rafale. "By mid-December we should have very good sense of who has been selected", he said. Asked if he expects cost escalation vis-a-vis the contract, the Air Chief Marshal said, "I can't tell you anything till the time we finish that work". The defence ministry had shortlisted France's Dassault Aviation SA's Rafale and EADS' Eurofighter Typhoon in April. Commercial bids from the two shortlisted vendors were opened on November four, marking the culmination of almost decade-long hunt for India's new mainline fighter.

India to review defence offset policy



India is reviewing its offset policy in defence procurements, introduced in 2006, to bring in more transparency and clear

ambiguities even as review of the 11th Plan has pegged the Army's shopping list at nearly at Rs 41,000 crore. The offset policy is aimed to prevent cash outflows and make it mandatory for foreign firms that bag defence contracts to reinvest a part of the total contract value by entering into local tie-ups in the defence industry. Announcing reviewing of the policy, Amit Cowshish, Additional Secretary in the Department of Defence Finance, said that lack of clarity had led to several perspectives and interpretations. At a seminar organised here by Observer Research Foundation, he admitted that initially there were uncertainties about success of the policy. However, he said, "I have no doubt that this policy will stay for years to come." Cowshish said that the defence procurement policy would become more effective. "In the near future, things will change substantially starting with the MMRCA (Medium Multi-Role Combat Aircraft) deal," he added. While the offset business has created huge opportunities for Indian defence firms, many believe that it has hampered quick acquisition of equipment. According to the policy, any defence deal over Rs 300 crore must have an offset clause. It is estimated that Rs 10,000 crore is expected to be invested in local tie-ups and manufacturing by 2020 due to this clause. In the latest, biggest-ever defence deal—purchase of 126 MMRCA aircraft worth \$12 billion—the short-listed companies have to reinvest 50 per cent of their contract amount in India. The industry, however, is concerned that foreign firms are only willing to transfer technology to Indian partners. Circumventing the process, some foreign firms manufacture 70 per cent of products outside India sharing or transferring just 30 per cent of technology. Vivek Lall of Reliance Industries emphasised that improving capability to innovate products required focus in future. He said that priority should be given to sharing of technology rather than transfer to achieve success in the longer run. Others said that the government should integrate its own departments and have one authority to make a coherent policy. David Jarrett, Business Development Director of General Dynamics International, said that the global defence industry was eyeing the big India defence market.

India set to buy additional Russian-Israeli AWACS planes



India is close to purchase two additional Russian-Israeli airborne warning and control system

(AWACS) aircraft, the Times of India newspaper reported. India ordered three A-50E variants, developed on the basis of the Russian Il-76MD military transport plane and fitted with the Israeli-made Phalcon radar system, in 2004. They are already in service with the Indian air force (IAF). The Times of India cited on Tuesday defense ministry sources as saying that an \$800-mln draft contract "is now...in the final stages of being examined" before being signed as a follow-on order to the previous \$1.1-bln contract. According to the paper, India needs to strengthen its early-warning radar capability as the neighbouring rival Pakistan has purchased at least four Swedish Saab-2000 AEW aircraft and is about to receive four Chinese ZDK-03 AWACS planes. "The Phalcons significantly boost the effectiveness of both offensive and defensive operations. Their enhanced detection and interception capability, connected to fighters and surface-to-air missile systems, are tremendous force-multipliers," the Times of India quoted an Indian military official. In many aspects, the A-50 is comparable to the E-3 Sentry of the U.S. Air Force. It is fitted with an aerial refuelling system and electronic warfare equipment, and can detect targets up to 400 km (250 miles) away. India is also planning to integrate domestically developed AWACS systems into three Brazilian-made Embraer-145 aircraft to be later commissioned with the Indian Air Force. However, the completion of the project has been pushed back to 2014.

India asks for C-130J aircraft

India has asked the United States for six Lockheed Martin C-130J aircraft in a Foreign Military Sales deal worth a total of \$1.2 billion. The U.S. Defense Security Cooperation Agency, in its notification to Congress, said that in addition to the six planes the deal includes six Rolls Royce AE 2100D3 spare engines, eight AN/AAR-47 Missile Warning Systems, eight AN/ALR-56M Advanced Radar Warning Receivers, eight AN/ALE-47 Counter-Measures Dispensing Systems, eight AAQ-22 Star SAFIRE III Special Operations Suites, eight ARC-210 radios, and 3,200 flare cartridges. Also included are spare and repair parts, configuration updates, communications security equipment and radios, integration studies, support equipment, personnel training and training equipment. "The proposed sale will provide the Indian government with a credible special operations airlift capability that will help deter aggression in the region and provide enhanced humanitarian assistance and disaster relief support," the agency said. The prime contractors will be Lockheed Martin Aeronautics in Marietta, Ga. and Rolls-Royce Corp. in Indianapolis, Ind. Offset agreements associated with this proposed sale are expected, but at this time the specific offset agreements are undetermined and will be defined in negotiations between the purchaser and the contractors.

INTERNATIONAL AVIATION

Gulfstream G650 plane has received its provisional certificate from Federal Aviation Authority



The world's fastest business jet—the wide-cabin Gulfstream G650—received provisional type certification from the FAA, Savannah, Ga.-based Gulfstream Aerospace announced today. This action clears the way for the company to begin completing G650s in preparation for customer deliveries in the second quarter of next year, keeping the program exactly on its original schedule despite the loss of test aircraft S/N 6002 in April. “We are pursuing a two-step certification approach to keep us on track for our planned deliveries in the second quarter of 2012,” said Gulfstream president Larry Flynn. “With the [provisional type certificate] in hand, our plan is to move production aircraft into final phase manufacturing to ensure customer deliveries in the second quarter of 2012.” The company told AIN last month that provisional certification was always in the plan. According to Gulfstream, the four flight-test G650s have flown more than 2,225 hours over some 675 flights. G650 S/N 6004 has been flying with a fully outfitted interior since October last year, allowing the company to confirm weight projections and test new features, such as the twinjet's redundant cabin systems. Systems that need final tweaking for full certification are avionics software-related, Scott Neal, Gulfstream senior vice president of sales and marketing, told AIN late last month. “Until avionics software is matured beyond provisional type certification, the FMS, autopilot, auto-throttle and HUD/EVS will be inoperative.” During the provisional certification period, he added, “We will continue to fly at slightly higher rotation and climb speeds pending further runway performance testing that will be conducted after [provisional certification]. The rest of the altitude and speed envelope is finalized. “To date, seven production G650s have flown, and with the provisional certification in hand Gulfstream can now start to deliver the green aircraft to customers and simultaneously begin installing their interiors. A further 20 G650s are in various stages of initial or final-phase production, Gulfstream said. In total, the

company plans to deliver 10 to 12 green G650s to customers by year-end. Among its achievements, the G650 has flown for more than 14 consecutive hours; with flight test data confirming its can fly 7,000 nm at Mach 0.85. The aircraft has also demonstrated 5,000 nm at Mach 0.90. Its top speed is Mach 0.925, making it the world's fastest civilian jet in current operation—though only by a thin margin since the Cessna Citation X can fly at Mach 0.92. “The G650 will exceed the capabilities of anything on the market, flying faster and farther, with industry-leading fuel efficiency and reduced emissions,” Flynn concluded.

Emirates' Munich A380 service to arrive early



Emirates is bringing forward its first daily A380 service to Germany by serving Munich from today (25th November), nearly five weeks earlier than expected. The double decker was originally set to replace EK 49, one of two daily services to Munich, from 1st January 2012. Under a revised schedule, passengers will be able to enjoy the flagship of the Emirates' fleet from today (25th November). “Emirates is the first foreign carrier to bring the A380 back to Germany, said Salem Obaidalla, the airline's Senior Vice President, Commercial Operations, Europe & Russian Federation. “After further reviewing our forthcoming A380 deliveries and expected demand, we have decided to bring forward its deployment to Munich by more than a month, which is excellent news for one of our most important markets.” EK 49 departs Dubai at 0910hrs and gets into Munich at 1245hrs. Last month, Emirates took one of its A380s to Hamburg on a special commercial flight as part of the airport's 100th anniversary celebrations. With its trademark Onboard Shower Spas and Onboard Lounge, the Emirates' A380 continues to draw attention around the world. No other airline has purchased as many A380s as Emirates, investment which supports at least 40,000 direct and indirect German jobs. All Emirates' A380s have their finishing work carried out in Hamburg before being handed over. Since 1st September, Emirates has gone from one to two flights per day to Hamburg, taking to 56 its total number of weekly passenger flights to Germany.

Etihad signs accounting outsourcing deal with kale



Etihad Airways, the national carrier of the United Arab Emirates, today announced it would outsource the accounting of passenger and cargo revenues to aviation accountancy specialist Kale Consultants Ltd. from April, 2012. James Rigney, Etihad Airways' Chief Financial Officer, said "Revenue accounting plays a critical role in our fast paced growth and we want to align our process to industry leading practices and quality. We have chosen Kale because of their strategic focus, leading edge technology and expertise in revenue accounting." Vipul Jain, Kale Consultants CEO and Managing Director, said: "We are delighted to have Etihad as our customer. We are confident of delivering strategic value to support Etihad's fast paced and dynamic growth." Kale Consultants Ltd., an Accelya group company, employs over 1,400 people and has more than 100 aviation industry clients across 30+ countries. Etihad Airways began operations in 2003, and in 2010 earned more than seven million passengers. From its hub at Abu Dhabi International Airport, Etihad serves 86 cities in the Middle East, Africa, Europe, Asia, Australia and North America, with a fleet of 61 Airbus and Boeing aircraft.

Boeing Announces 787 Dream tour

Boeing (NYSE: BA) soon will begin a six-month Dream Tour with its all-new 787 Dreamliner. Customers and partners around the world will experience the revolutionary technology and passenger innovation offered on the first new airplane of the 21st century. "The 787 Dreamliner is a game-changing airplane and we're delighted to be able to bring this innovative product to our customers who will soon be receiving their own 787s," said Ray Conner, vice president of Sales for Boeing Commercial Airplanes. "This airplane is now changing the way the world flies, and we want to share that excitement with as many people as we can." The December schedule for the 787 Dream Tour includes six stops in Asia, Africa and the Middle East:

Dec. 4-11: China with stops in Beijing, Guangzhou and Haikou to visit customers, partners, and government officials including representatives from Civil Aviation Administration of China (CAAC), Air China, China Southern, Hainan Airlines, Aviation Industries of China (AVIC) and Chengdu Aircraft Industrial Co. (CAC).

Dec. 11-16: Africa with stops in Addis Ababa, Ethiopia and Nairobi, Kenya to visit Ethiopian Airlines and Kenya Airways. Dec. 16-19: Middle East stops in Doha to visit Qatar Airways. Specific dates for the subsequent segments of the tour will be announced about one month prior to the events. Additional tour stops are being planned for January through April 2012 and will be detailed in future announcements. Many of the stops will include opportunities for local media to tour the airplane and talk with Boeing executives and pilots. Aviation enthusiasts can follow the progress of the 787 tour at www.newairplane.com. Videos, photos and reports from the tour stops as well as an inside look at the airplane, will be featured beginning with the first stop next week.

Dream Tour Airplane

The Dream Tour airplane, ZA003, has been retrofitted with special interior features designed to highlight the unique cabin features and performance capabilities of the Dreamliner. The flight test equipment on board ZA003, the third 787 to be built, has been removed and a stunning new interior has been installed. The airplane also has received a refreshed Boeing livery. "Our flight test airplane has turned into a show piece," said Scott Fancher, vice president and general manager of the 787 program. "Anyone who has seen the inside of a flight test airplane will be amazed at the transformation. All of the 787 passenger features are here." Visitors will be greeted by the spacious signature 787 entryway sky light and gathering area. The LED lighting, standard on all 787s, will be demonstrated throughout the tour airplane. Visitors will experience the dynamic affect of this new technology to make meal time more enjoyable, sooth passengers during restful periods and gently wake them following a long flight. Visitors also will find a luxurious business-class cabin with a dozen lay-flat seats, an overhead crew rest compartment and an economy class section. A large open space between the two economy class sections allows Boeing to spotlight the features of the 787 with displays and demonstrations. The exterior of the airplane has been repainted in the standard Boeing delivery

Lufthansa to increase its presence in China from Summer 2012

Lufthansa is expanding its presence in the dynamic Chinese market and next year will be resuming its service to Shenyang and launching a new route to Qingdao. From 26 March 2012, an Airbus A340 with a seating capacity of 266 passengers will

take off from Frankfurt for Shenyang, a key industrial centre in north-eastern China. From there, the flight will continue onwards to Qingdao in Shandong Province, connecting the port city on the Yellow Sea to Lufthansa's global route network for the first time.

"China is and will remain one of the key growth markets for Lufthansa," says Kay Kratky, Member of the Lufthansa German Airlines Board, Frankfurt & Flight Operations. "Lufthansa offers one of the widest choices of flight options to China of any of the European airlines. With the resumption of our service to Shenyang and the opening of the new route to Qingdao, we are underlining our position and offering our customers a total of 55 flights per week to six destinations in China." Next summer, in addition to the new services to these two major cities in north-eastern China, Lufthansa will fly to Beijing, Shanghai, Nanjing and Hong Kong. Shenyang has a population of roughly 7.2 million and lies about 700 kilometres from Beijing. It is the capital city of Liaoning province is one of China's largest industrial centres. The economic structure of the region is dominated by motor vehicle and aircraft manufacturing, as well as by the chemical industry and the IT sector. It also has two trade fair centres, which house regular exhibitions and shows. Over the next few years, as part of a regional development strategy, Shenyang and seven major cities in the surrounding area will be integrated into the Shenyang Metropolitan Area. The population of Qingdao is about 8.5 million. Thanks to its deep-water harbour, the city is of key importance to the oil-refining industry and goods traffic in the entire Shandong Peninsula on China's eastern coastline. The port is the third largest in China and the ninth largest worldwide. In addition to the fishery industry, the main industries that are based here are textiles and domestic electronics, and there are a number of major tyre manufacturers. Qingdao is also one of China's most popular beach resorts. Lufthansa is offering a basic round-trip fare from Frankfurt to Shenyang and Qingdao starting at 579 euros. This price applies to Economy Class and includes all taxes and fees if the booking is made online at www.lufthansa.com. Reservations can also be made via the Lufthansa Call Center in Germany on 01805 805 805 (calls from a German landline will be charged at €0.14/min; calls via a mobile network will cost no more than €0.42/min.). Customers can also book their flights through Lufthansa-designated travel agencies or at Lufthansa sales counters at airports.

CAE, InterGlobe and Airbus break ground on new pilot and maintenance training centre

CAE, InterGlobe Enterprises, and Airbus held a ground breaking ceremony for a new pilot and maintenance technician training centre in Delhi, India's National Capital Region. The CAE-InterGlobe joint venture is expected to start offering pilot and maintenance training solutions in 2013 and will eventually be able to train up to 5,000 pilots and technicians annually

for airlines in India and the neighbouring region. The ground-breaking featured a traditional Indian Bhoomi Pooja ceremony, and were attended by representatives of Airbus, CAE and InterGlobe. Dr. Kiran Rao, President, Airbus (India), said, "The demand for pilots in India and the neighbouring region is large. India is one of the fastest-growing aviation markets in the world and will require above 1,000 aircraft over the next 20 years, so investing in pilot and crew training facility is for the long term to continue the growth of the national's commercial airlines and in turn the growth of the Indian economy." Rahul Bhatia, InterGlobe Group Managing Director, said, "We are delighted to collaborate with CAE and Airbus to bring to the National Capital Region a world-class training facility. This training centre will be pivotal to meeting the needs of the civil aviation community in India and offer access to globally benchmarked training technology and solutions to aviation personnel here." CAE's Jeff Roberts, CAE Group President, Civil Simulation Products, Training and Service, said, "The new training centre in the National Capital Region is a testimony to our continued long-term commitment to serve the growing needs of the aviation industry in India. This will be the fifth CAE aviation training facility in the country, and our entire focus at these training centres is enhancing the safety and operational efficiency of our customers. The new Delhi centre will be located on 3.5 acres in the Greater Noida Industrial Area about 40 kilometres southeast of Delhi. The focus of the new Delhi training centre will be to provide "wet" and "dry" type-rating, recurrent, conversion and jet indoctrination training for commercial aircraft pilots. Programs will also be offered for maintenance technicians. The Delhi training centre will initially house four full-flight simulators and will be capable of expansion to eight simulator bays. Advanced training technology will be used such as CAE Simfinity multimedia classrooms, computer-based training and brief/debrief facilities. The new training centre in Delhi will become part of the Airbus-CAE flight crew training services cooperation agreement which provides Airbus operators with a joint global network of training centres with the largest fleet of full-flight simulators (FFS) for Airbus aircraft types, standardized courseware and expert instructors. Airbus-CAE cooperation, which began in 2002, has grown to more than 60 FFSs in nearly 20 locations in Asia, India, the Middle East, Europe, North and South America. In the CAE Bengaluru centre, established in 2007, CAE trains more than 1,500 crewmembers annually including pilots from several Indian airlines such as Air India, Go Air, IndiGo, Jet Airways, Kingfisher Airlines and SpiceJet. In partnership with the Government of India, CAE operates ab initio flight schools in Gondia and Rae Bareilly. CAE also operates with partner Hindustan Aeronautics Limited (HAL) a helicopter training centre in Bengaluru equipped with the first advanced, full-fidelity helicopter simulators in India.

About Airbus (India)

Airbus has fostered close ties with India's aviation sector for nearly 40 years. Operational since mid-2007, and officially opened in Bengaluru in October 2007, Airbus Engineering Centre India (AECI) currently employs over 220 local engineers – rising to 400 over the next three years. Today, Indian engineering and manufacturing companies nationwide, including more than 2,000 people, contribute to virtually all Airbus aircraft programmes. Airbus enjoys over 70 per cent of the Indian market share.

About InterGlobe Enterprises

InterGlobe Enterprises is a leader in aviation and travel related services, growing the market through innovation and service leadership. We build businesses and represent global brands that deliver quality and value. Established in 1989, with headquarters in Gurgaon, India, today InterGlobe has a network of 62 offices across 44 cities globally. InterGlobe employs more than 9,000 professionals across its businesses which include IndiGo (InterGlobe Aviation), InterGlobe Hotels, InterGlobe Technology Quotient, InterGlobe Technologies, InterGlobe Air Transport and InterGlobe Established

About CAE

CAE (NYSE: CAE; TSX: CAE) is a global leader in modelling, simulation and training for civil aviation and defense. The company employs more than 7,500 people at more than 100 sites and training locations in more than 20 countries. Through CAE's global network of 33 civil aviation, military and helicopter training centres, the company trains more than 80,000 crewmembers yearly. CAE's business is diversified, ranging from the sale of simulation products to providing comprehensive services such as training and aviation services, professional services and in-service support. The company aims to apply its simulation expertise and operational experience to help customers enhance safety, improve efficiency, maintain readiness and solve challenging problems. CAE is now leveraging its simulation capabilities in new markets such as healthcare and mining.

US\$47 Billion Order Book for Dubai Airshow by Day 3!

The third day of the Dubai Airshow saw companies continue their buying spree, with some manufacturers reaping rewards and others disappointed, making it a busy and somewhat controversial day for the world's press attending! Aviation Capital Group (ACG), the US-based aircraft leasing company, signed an agreement with Airbus for 30 eco-efficient A320neo (new engine option) aircraft, valued at US\$2.7 billion at list price. "Faced with increasing fuel prices and tough competition, we are seeing a stronger than ever demand from our customers for

modern fuel-efficient aircraft such as the A320neo," said Stephen Hannahs, CEO & GMD of ACG. Airbus was not so fortunate in their contract negotiations with Qatar Airways for a predicted aircraft order, leaving the glory to Boeing, which clinched a deal with the Doha-based carrier for two Boeing 777 freighters, valued at US\$560 million at list price. Bombardier Aerospace and Turkey's Atlasjet Havacilik A.S. have signed a Letter of Intent (LoI) to acquire 10 CS300 jetliners, with options for a further five. The firm order contract is valued at US\$776 million, which could increase to US\$1.18 billion if the options are converted to firm orders. At another press briefing, PT Nusantara Turbin dan Propulsi (NTP) of Indonesia and Joint Stock Company (JSC) BEK Air Kazakistan announced a maintenance agreement worth US\$13 million for the field service, repair and overhaul of TAY 650-15 engines for its Fokker 100 aircraft. This year's Dubai Airshow is the biggest yet, with nearly 55,000 trade visitors expected over the week. Alison Weller, Managing Director of airshow organiser F&E Aerospace, said: "We have now reached an order book of US\$47 billion, three times more than the tally of the last show in 2009. However, the day nor the Dubai Airshow is yet over and we anticipate more exciting announcements! "The Dubai Airshow is organised under the patronage of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and in co-operation with Dubai Civil Aviation Authority, Dubai Airports and the UAE Armed Forces.

Chinese airlines to sue EU over emission scheme

Chinese airlines are preparing to take Brussels to court over its plan to charge carriers for carbon emissions, Chinese industry officials has said, and are also considering how they might retaliate against European airlines. The hard line from the China Air Transport Association, which represents all major Chinese airlines, intensifies a dispute with the European Union that the head of Airbus has warned could turn into a trade war. It comes shortly before the EU's January 1 start date for bringing the aviation sector into its emissions trading scheme. Cai Haibo, deputy secretary-general with CATA, said it intended to make the legal challenge in Europe before the end of this year. "There is no way the emission charge can be justified. It violates the basic principles of international law and infringes on other nations' sovereignty," Mr Cai told the Financial Times. He said Chinese representatives had expressed their objections directly to European regulators but been dismayed by the response. "Chinese airlines have been so good to Airbus [a subsidiary of the Franco-German EADS]. But the EU turns around and tries to take more of the airlines' money. They are not happy. "Europe's climate commissioner, Connie Hedegaard, expressed confidence any court would side with Brussels. "We are fully confident that our legislation is compliant with international law," she said. A Chinese suit, if filed, could differ from that launched by US airlines in the European Court of Justice,

which questioned whether EU regulators were exceeding their jurisdiction by applying the emissions trading scheme to carriers outside their borders. EU officials believe the Chinese would instead challenge the legality of the European policy under the Kyoto protocol, which makes a distinction between the efforts that developed and developing nations should have to make to address climate change. EU officials accept that principle but say it applies to governments and not to private companies such as air carriers. "The EU is not aiming at the right target. They should focus on the manufacturers, the makers of the planes and the engines, and establish higher emissions standards. Only this kind of direct action to cut emissions will be effective," Mr Cai said. The commission had been engaged in talks with Beijing to resolve the dispute under a clause in the ETS regulations that allows carriers from specific countries to be exempted if they can prove they are taking equivalent measures to limit their emissions. But those talks have broken down, the commission acknowledged. MS Hedegaard has argued that the extra cost of complying with the policy would amount to a €6 to €12 (\$8.15 to \$16.30) ticket price increase for a transatlantic flight. But Chinese airlines estimate the EU tax would cost them Rmb17.6bn (\$2.8bn) by 2020, adding roughly Rmb300 (\$47.50) to each ticket for flights between China and Europe. The EU commissioner's determination to press ahead with the emissions policy also reflects frustration with what she believes has been years of foot-dragging by the industry through its UN umbrella group, the International Civil Aviation Organisation. Last week, the ICAO adopted a working paper from the United States, China and other nations urging the EU to exclude non-European carriers from the scheme. The official Xinhua news agency reported this week that China would impose "stricter limits" on EU airlines when they departed from or arrived at Chinese airports if Brussels went ahead with the carbon scheme. It did not specify what those limits might entail. Tom Enders, Airbus chief executive, told the EU this year it was "madness to risk retaliation" from China and other powerful countries. The Commercial Aircraft Corporation of China has predicted that China will add nearly 5,000 commercial aircraft by 2030, making it far and away the biggest source of new aircraft demand in the world. Airbus has a nearly 50 per cent share of the Chinese market.

AIR CRASH / INCIDENTS / INVESTIGATIONS

Italian AM-346 Crashes after Dubai Airshow



UAE air crash investigators are working with the military and Italian government officials following the crash of an Alenia Aeromachhi 346 trainer on its way back to Italy after the Dubai Airshow. The Italian military trainer aircraft - which had been a contender for the UAE airforce trainer - crashed off Palm Deira Island in Dubai on Friday afternoon. Both pilots survived after bailing out.

Dubai police deputy director, Colonel Omer Al Shamsi, told reporters that the plane took off from Dubai International Airport at 12.15pm for Saudi Arabia but its pilot, Captain Giovanni Bingley, lost contact with the Air Control Tower. Capt Bingley was said to have minor injuries while co-pilot Capt Korino suffered a broken leg. "The causes of the accident are currently being investigated and, in accordance with company procedures, an internal investigation committee has also been set up," Italy's Alenia Aermacchi group said in a statement emailed to news agencies.

SIA 777-300 comes off runway in Munich

A Boeing 777-312ER of Singapore Airlines came off runway 08R at Munich during landing. The incident happened around mid-day Thursday as the aircraft was performing flight SQ-327, from Manchester with 143 passengers and 15 crew on board. During the landing at München-Franz Josef Strauss Airport the aircraft veered right and came to a stop with all three gears in the grass off the paved runway surface. The aircraft operating the flight was 9V-SWQ. The cause of this mishap is still unknown, but most importantly no-one was hurt during the incident.

Plane With 6 Crashes In AZ, No Sign Of Survivors



A small plane with six people aboard, including three children, crashed in flames in mile-high mountains on Phoenix's eastern outskirts, leaving one child confirmed dead and no signs of any survivors, authorities said. Preliminary reports indicate the two-engine aircraft flew from Safford to Mesa's Falcon Field to pick up three children for the Thanksgiving holiday and was headed back to Safford in south-eastern Arizona, Pinal County Sheriff Paul Babeu said. The aircraft slammed into an area of rugged peaks and outcroppings in the Superstition Mountains, 40 miles east of downtown Phoenix, at about 6:30 p.m. MST. Authorities said. Callers reported hearing an explosion near a peak known as the Flat Iron, close to Lost Dutchman State Park, Sheriff's spokeswoman Angelique Graham said. Witnesses reported a fireball and an explosion. "I looked up and saw this fireball and it rose up," Dave Dibble told KPHO-TV. "All of a sudden, boom." Sheriff's spokesman Elias Johnson said the body of one child was recovered late Wednesday night from the crash scene, but additional details weren't released. No names were immediately released. The children reportedly were between the ages of 5 and 9. A pilot, a mechanic and another adult were also on board, Babeu said. Rescue personnel used infrared devices to search for bodies, but had not been able to detect any sign of movement, according to Johnson. "It does not look promising," Babeu said at a news conference. "We will search throughout the night. "Rescue crews flown in by helicopter to reach the crash site reported finding two debris field on fire, suggesting that the plane broke apart on impact. "The fuselage is stuck down into some of the crevices of this rough terrain, and we're doing our best at this point in the darkness," Babeu said. "This is not a flat area, this is jagged peaks, almost like a cliff-type rugged terrain. "Video showed several fires burning on the mountainside, where heavy brush is common. Flames could still be seen from the suburban communities of Mesa and Apache Junction hours after the crash. The region is filled with steep canyons, soaring rocky outcroppings and cactus. Treasure hunters who frequent the area have been looking for the legendary Lost Dutchman mine for more than a century. Some witnesses told

Phoenix-area television stations they heard a plane trying to rev its engines to climb higher before apparently hitting the mountains. The elevation is about 5,000 feet at the Superstition Mountains' highest point. Calls to Falcon Field, which mostly serves small, private planes, weren't immediately returned Wednesday night. Federal Aviation Administration spokesman Allen Kenitzer said the Rockwell AC-69 was registered to Ponderosa Aviation Inc. in Safford. A man who answered the phone Wednesday night at Ponderosa Aviation declined comment. Kenitzer said the FAA and National Transportation Safety Board would be investigating the cause of the crash.

DGCA official probes airport incident

A senior officer of the Directorate General of Civil Aviation on Tuesday conducted an inquiry into Monday's incident at the Tiruchi Airport where a possible collision was averted between Air India Express and Jet Airways aircrafts. Durairaj, Senior Air Safety Officer, DGCA, Chennai, arrived here on Monday night hours after the incident took place around 2 p.m. According to initial reports, the Air India Express flight on the Chennai-Tiruchi-Abu Dhabi sector was cleared for landing on runway 9, but approached runway 27 from the opposite direction of the Chennai-bound Jet Airways ATR aircraft that had just taken off. The Air India Express aircraft subsequently took a diversion to land safely. Mr. Durairaj, who interacted with the Air India Express engineer at the airport on Monday night, continued his inquiry on Tuesday with officials at the Air Traffic Control. Recordings of the communication between the ATC and the commander of the Air India Express have been sent to Mumbai for examination. The recordings will establish the circumstances that led to the incident. A report will be submitted to the DGCA headquarters, sources said.

Air mishap averted Babatpur airport

Timely action by ATC personnel averted a major air mishap at the Lal Bahadur Shastri International Airport, Babatpur, and here on Monday afternoon. According to reports, a Mumbai-bound Jet Airways plane with 145 passengers on board was taxiing at around 3.45pm when a Spice Jet flight from Mumbai (via Delhi) took position to land at the same runway. Spotting the movement of planes, the ATC personnel immediately issued necessary instructions to the pilots. The pilot of Spice Jet was asked to make rounds in the air while Jet Airways pilot was asked to return to the apron. The Spice Jet flight landed at the airport at around 4pm while the Jet Airways flight took off 10 minutes later. "It was the timely effort of the air traffic control (ATC) personnel that averted the mishap and the Spice Jet flight landed safely with 200 passengers on board," airport director S K Malik told TOI. He said that a detailed report of the incident has been forwarded to the director general of civil aviation for necessary action. "During investigation, it came to light that the Spice Jet flight was in the south side while it should have been

in the north," Malik told TOI. He added any action in this regard would be taken by the DGCA.

Technical snag forces plane to return to IGI

An Air India flight on its way to London had to make a U-turn after entering Karachi airspace and return to Delhi as the aircraft developed a technical problem. The flight, AI-111, landed safely at the IGI Airport with 136 passengers on board. Airport sources said that the aircraft was airborne around 3.15pm but around an hour into the flight, the pilot reported a sudden drop in cabin pressure. "He informed the air traffic control and was told to return to Delhi since it was a long haul flight. A full emergency was declared at the airport and the aircraft landed safely around 5.30pm," said sources. An Air India official said that all passengers were given accommodation at a hotel and would be sent to London in another aircraft on Wednesday morning. "We managed to reroute 36 passengers through Mumbai and they are already on their way to London. The remaining passengers would be sent on a flight that is expected to depart from Delhi at 7am on Wednesday," said an official.

SpiceJet aircraft suffers a bird hit



A SpiceJet aircraft with 35 passengers on board suffered a bird hit today ahead of its landing at the Gannavaram airport here. The incident took place around 9 AM when the flight was about to touch down and suddenly a bird hit the right wing of the aircraft, damaging it slightly, airport officials said. However, the pilot made a safe landing and none of the passengers were hurt, they said. Due to the bird hit, the return flight to Hyderabad was cancelled, officials added.

Air India A321 near Kolkata on Nov 3rd 2011, engine leaking

An Air India Airbus A321-200, flight AI-332 from Delhi (India) to Bangkok (Thailand), was enroute near Kolkata (India) when the crew decided to divert to Kolkata due to technical problems. The aircraft landed safely in Kolkata. Passengers reported the crew announced technical problems as reason for their diversion. After landing large oil leak was seen at the right hand engine forming a large puddle underneath the engine, maintenance staff working on the engine trying to stop the leak while

the passengers were kept aboard with all engines and air conditioning off. Following passenger protests about the heat aboard the passengers were finally bussed to the terminal. A replacement aircraft reached Kolkata with a delay of 4 hours.

Flight returns after take-off due to snag

Passengers on-board a Spicejet flight faced some tense moments after the pilot made an emergency landing minutes after taking off from the Rajiv Gandhi International Airport on Saturday morning. However, all passengers were safe. According to the RGIA authorities, 183 passengers were on-board the Hyderabad Coimbatore flight Spicejet 211, which took off from the airport at 8.46 a.m. "Around 9 a.m., the pilot made an emergency landing due to a technical snag,' Preeti Dey, spokesperson, SpiceJet Airlines told Express. A fire alarm in the aircraft went off alerting the pilot who took no chances and made an emergency landing. "All passengers are safe. The pilot made a precautionary landing soon after he noticed a technical snag. We also made arrangements for all passengers at the RGIA for couple of hours. Later, all passengers left for Coimbatore in the same flight at 11.20 a.m. after the repair works finished,' she added. Earlier, an Emirates Airbus A380, made an emergency landing at Shamshabad airport with 481 passengers.

SAFETY / SECURITY

U.S. and India sign Aviation Safety Agreement

The Federal Aviation Administration (FAA) today announced the completion of a bilateral agreement between the United States and India that will allow for the reciprocal certification of aviation products. Dorenda Baker, Director of the FAA's Aircraft Certification Service and Bharat Bhushan, Director General of the Directorate General of Civil Aviation (DGCA) for India signed the Implementation Procedures for Airworthiness (IPA) today in New Delhi. These implementing procedures reflect the mutual commitment of the United States and India to enhance international safety and will enable a more efficient exchange of aviation products. The IPA details the scope and nature of the cooperation established in the framework set up in the U.S. - India Bilateral Aviation Safety Agreement (BASA) Executive Agreement. The BASA Executive Agreement was signed by the FAA Administrator Randy Babbitt and the Secretary of Ministry of Civil Aviation for India, Dr. Nasim Zaidi, on July 18, 2011. During the signing ceremony Ms Baker congratulated the Mr Bhushan for demonstrating and sustaining a high level of competence as a regulatory agency. The agreement will further strengthen our already successful safety partnership. The FAA appreciates India's long standing commitment to improving aviation safety.

Cops to set up air-safety security at Nagpur Airport

Due to expansion of air traffic at the Dr Babasaheb Ambedkar International Airport, the city police have decided to put a special security system in place. In the last five years, air traffic rose to 29 flights a day from just a handful. Around 2,000 passengers land and take off every day and the same number of vehicles enters the airport. Cops have also decided to deploy commandos on the road from Hotel Pride to the parking area of the airport which has become a favourite place for young couples. "We want to stop any unlawful activity in the area," a senior cop told TOI. Apart from closely monitoring take-offs and landings of planes, cops also plan to start special checkpoints on the two approach roads to the airport. The Sonegaon police will soon initiate a special 'perimeter patrolling' in the airport area under the supervision of DCP Zone-I, Kailash Kanse. By 7pm, the area, considered a high-security zone, becomes a meeting point for couples and young college students. DCP Kanse said that cops would also embark upon the arrangement of security at all the entry and exit points. "With the airport being a sensitive zone due to heavy VIP and VVIP movement, we have already introduced perimeter patrolling on roads leading to Chinchbhuvan from the Sonegaon police station and the stretch from the Shivangaon turn on Wardha Road to Shivangaon village. Both roads along with the main approach road of the airport would be brought under strict surveillance," said Kanse. Police commandos would be patrolling the road from the Sonegaon police station to Chinchbhuvan during the take-off of any aircraft while the road leading to Shivangaon would be under vigilance during landing. "Nowadays we have noticed that people from all walks of life, including youngsters, gather at the airport road in the evening hours. We are planning to introduce a checkpoint on the approach road. We are also planning to deploy policemen on the road that will automatically check any unlawful activity," said Kanse.

Box

'Shift parking booth'

To check harassment by the parking staff at the airport, the city police have written to Mihan officials asking them to shift the booth to a designated parking area, a senior police official informed. From the time MIL shifted the parking-cum-toll booth on the approach road, disputes between the parking contractor's staff and drivers have become common.

Three Indian Airports Deploy Explosives Trace Detection

Implant Sciences, a high technology supplier of systems and sensors for homeland security markets, announced the sale of its Quantum Sniffer(TM) handheld explosives trace detector to a new customer in India. The trace detector will be used for security screening at Nasik Airport. Quantum Sniffers have

previously been deployed at the Delhi and Mumbai airports in India. "There is a continued threat to aviation through the use of concealed explosives. As a screening device, the trace detector contributes to the minimization of these risks. The trace detector ease of use, automatic self-calibration, and low total cost of ownership make it ideal for critical security screening applications," stated Glenn D. Bolduc, President and CEO of Implant Sciences.

EU bars Filipino, Congolese airlines from its airspace

The European Union on Monday placed airlines from the Philippines, Honduras and the two Congos on its blacklist of carriers forbidden from flying in the 27-nation bloc. Aeromajestic and Interisland Airlines, a Filipino company, Stellar Airways from the Democratic Republic of Congo and Equatorial Congo from the Republic of Congo were banned because they failed to provide documented evidence that they comply with international safety standards. Honduran carrier Rollins Air was placed on the list after France raised concerns about the airline's safety, the European Commission said. The EU's executive arm also slapped restrictions on Jordan Aviation, barring three Boeing 767s operated by the Jordanian airline from using European airspace. "Safety comes first. We cannot afford any compromise in this area," said EU transport commissioner Siim Kallas. "Where we have evidence inside or outside the European Union that air carriers are not performing safe operations we must act to exclude any risks to safety," he said. The commission decided to leave three Russian carriers off its list -- VIM AVIA, Yakutia and Tatarstan Airlines -- after Russian authorities decided to impose their own operating restrictions on the companies. Although the EU's air safety committee was "very concerned" with the performance of Albanian airlines, the commission kept them off the list too after Albanian authorities took "very strong" safety enforcement measures. The EU flight-ban list now counts 273 airlines from 20 countries.

BITS; Disruptions: Fliers Turn Phones Off, But It's Not Clear Why

Millions of Americans who got on a plane over the Thanksgiving holiday heard the admonition: "Please power down your electronic devices for take-off." And absolutely everyone obeyed. I know they did because no planes fell from the sky. No planes had to make an emergency landing because the avionics went haywire. No planes headed for Miami ended up in Anchorage. We were all made safe because we all turned off all our Kindles, iPads, iPhones, BlackBerrys and laptops, just as the Federal Aviation Administration told us to. Realistically speaking, I'm going to bet that a handful of people on each flight could not be bothered, or forgot to comply. According to the F.A.A., 712 million passengers flew within the United States in 2010. Let's assume that just 1 percent of those passengers - about two people per Boeing 737, a conservative number - left a cell phone, e-reader or laptop turned on during take-off or

landing. That would mean seven million people on 11 million flights endangered the lives of their fellow passengers. Yet, in 2010, no crashes were attributed to people using technology on a plane. None were in 2009. Or 2008, 2007 and so on. You get the point. Surely if electronic gadgets could bring down an airplane, you can be sure that the Department of Homeland Security and the Transportation Security Administration, which has a consuming fear of 3.5 ounces of hand lotion and gel shoe inserts, wouldn't allow passengers to board a plane with an iPad or Kindle, for fear that they would be used by terrorists. New technologies are often greeted with fear and that is certainly true of a disruptive technology like cell phones. Yet rules that are decades old persist without evidence to support the idea that someone reading an e-book or playing a video game during take-off or landing is jeopardizing safety. Nevertheless, Les Dorr, a spokesman for the F.A.A., said the agency would rather err on the side of caution when it comes to digital devices on planes. He cited a 2006 study by the Radio Technical Commission for Aeronautics, a non-profit group that tests and reports on technical travel and communications issues. The group was asked by the F.A.A. to test the effects of cell phones, Wi-Fi and portable electronic devices on planes. Its finding? "Insufficient information to support changing the policies," Mr. Dorr said. "There was no evidence saying these devices can't interfere with a plane, and there was no evidence saying that they can." I'm not arguing that passengers should be allowed to make phone calls while the plane zooms up into the sky. But, why can't I read my Kindle or iPad during take-off and landing? E-readers and cell phones can be easily put into "Airplane Mode" which disables the device's radio signals. The government might be causing more unnecessary interference on planes by asking people to shut their devices down for take-off and landing and then giving them permission to restart all at the same time. According to electrical engineers, when the electronic device starts, electric current passes through every part of the gadget, including GPS, Wi-Fi, cellular radio and micro-processor. It's the equivalent of waking someone up with a dozen people yelling into bullhorns. As more and more people transition from paper products to digital ones, maybe it's time to change these rules. Michael Altschul, senior vice president and legal counsel for CTIA, the wireless industry association, said a study that it conducted more than a decade ago found no interference from mobile devices. "The fact is, the radio frequencies that are assigned for aviation use are separate from commercial use," Mr. Altschul said. "Plus, the wiring and instruments for aircraft are shielded to protect them from interference from commercial wireless devices." Mr. Dorr reluctantly agreed. "There have never been any reported accidents from these kinds of devices on planes," he said.

Knuckleheads and Worse, Bringing Guns in Carry-ons



EVERY day, screening officers find four to five guns in carry-on bags at American airports, according to John S. Pistole, the head of the Transportation Security Administration. Now, considering that about 1.7 million travelers pass through security checkpoints each day at the nation's 450 commercial airports, that may not sound like a lot — until you think about how many guns it would take to set off a nasty scene on an airplane. And the number of guns found seems to be increasing. In August 2010, for example, the T.S.A.'s blog said that, on average, "our officers find about two guns a day at checkpoints." Two other things seem to be at work here, and neither involves terrorism. The first I'll call the knucklehead factor. A majority of passengers found with firearms in their carry-ons explain sheepishly that they simply forgot they had them in their bags. This seems plausible since many states have been steadily relaxing laws regulating the possession and carrying of firearms. The other factor is more serious. A small percentage of firearms detected at checkpoints have been "artfully concealed," as the T.S.A. puts it. That is, the traveller made an obvious attempt to hide the guns as they passed through metal detectors or as screeners inspected bags. The agency won't speculate on this, but I'm guessing that certain misguided people are determined to have their weapons with them, even if it means risking arrest. On its blog, the T.S.A. notes that finding prohibited items like guns on people "does not mean they had bad intentions." That, it says, is "for the law-enforcement officer to decide." And I should note an exception to all this. Travelers can carry guns — but only unloaded and in checked bags — after they have notified the airline. In recent testimony before the Senate Homeland Security Committee, Mr. Pistole described one example in which guns were found. On Oct. 20, a passenger tried to board a plane at the Dallas-Fort Worth airport with three carry-on bags that concealed two pistols, two ammunition magazines, eight knives and a hand-saw. "Artfully concealed" doesn't seem to require either art or skill. In this instance, the man was immediately arrested on state weapons charges. "If a gun is detected in a carry-on bag, T.S.A. contacts local law enforcement," said Kristin Lee, a spokeswoman for the agency. "Violations can result in state and

local criminal prosecution, as well as civil penalties up to \$2,000 per violation." As of last week, "there have been 689 gun-related arrests" at checkpoints this year, she said. A lot of these guns are loaded. According to the T.S.A., 24 loaded firearms were found in carry-on bags from Nov. 4 to Nov. 9. This particular firearms issue, to me, reflects a culture in which laws covering the possession of guns are becoming increasingly looser. Lots of Americans carry guns. While I haven't carried a firearm since I was required to in Vietnam, I happen to live in southern Arizona, where the Wild West is not that distant a memory. In about an hour, for example, I can drive to Tombstone, site of the fabled gunfight at the O.K. Corral. But during that drive across the desert, I can also reflect on the fact that one of the events leading to that 1881 shootout was the insistence by Virgil Earp, a marshal, and his brother Wyatt that their antagonists, the Clanton and McLaury brothers, adhere to Tombstone's ban on carrying firearms in town. Few of the most ardent firearms advocates would argue that it's a good idea for a passenger to try to board an airplane with a gun. But I have to wonder, given the white-hot politics of gun control, whether some travelers adequately understand that it is an extremely serious offense to deliberately try to take a gun onto a plane. And for those who explain that they simply forgot they had it in a bag, I would add that is a serious offense. It goes against a basic gun-safety protocol that you should always know where your firearm is. If you completely forgot that it was in your gym bag, that's bad gun safety. "Most travelers present very little risk of committing acts of terrorism," Mr. Pistole said in outlining to the Senate committee the agency's plans to rely more on "intelligence-based risk-assessment." In the future, security agents will focus less on the "one size fits all" approach at the checkpoints, where they are constantly searching every passenger for various contraband. I would say that somebody blithely carrying a loaded .45-caliber pistol in a bag to a checkpoint, as the T.S.A. says a man did last week at the airport in Fort Lauderdale, Fla., creates a real hurdle for any "intelligence-based" initiative. Caroline Brewer, a spokeswoman for the Brady Campaign to Prevent Gun Violence, agrees. "We're just pleased that the T.S.A. is being aggressive about searching for guns," even though that often increases waits at the checkpoints, she said. Of the apparent increase in guns, she added: "It could be that people aren't getting the news that you just don't bring your gun to the airport. The National Rifle Association in recent years has been trying to expand the number of places that people can take their guns — restaurants and bars, stadiums and other places. So it could be that there is a sense by some gun owners, why not take my gun to the airport? Maybe people just aren't getting the word that, listen, you simply don't bring your gun to the airport."

GOVERNMENT / REGULATORY

DGCA starts financial audit of airlines

With airlines like Kingfisher and Air India in a state of financial meltdown and Kingfisher suspending services across the board alarm bells have begun to ring at the Directorate General of Civil Aviation (DGCA). The DGCA has said it is starting a detailed financial audit of all airlines from Friday and that carriers found to be seriously strained financially after this survey would not be allowed to expand their fleet till they satisfy financial safety norms for the existing fleet. The DGCA also said the licenses of airlines may not be extended if it finds that their financial capacity has degraded to an extent that it would not be wise to allow them to fly passengers. According to DGCA chief, Bharat Bhushan, "We will finalise the modalities of the detailed surveillance shortly and begin the process from Friday. The focus will be on the airlines' economic viability and safety." The basic idea behind the financial audit is to keep a close watch on the fleets of the financially most strained airlines. A financially broke airline was unlikely to invest sufficient funds in keeping their fleets completely airworthy and safe by replacing or repairing parts. With national carrier Air India afloat on government largesse and Kingfisher in a state of financial meltdown the DGCA now has to be alert to the possibility of thousands of passengers being left stranded across domestic and internal airports as some airline throws in the towel one fine morning. Airlines like Air India and Kingfisher are, by now, chronic defaulters to their service providers as well as their staff.

Draft Civil Aviation Authority bill in advanced stage of consultation news

The government is in the process of setting up a powerful Civil Aviation Authority (CAA) for better regulation of the aviation sector. According to government sources a draft bill is in an advanced stage of vetting and should soon receive official clearance. "A draft legislation has been prepared. It is currently being vetted by the law ministry. After this, it will be taken up by the Union Cabinet for approval before it is placed in Parliament," the sources said here. The functions and powers of the proposed CAA, which would supersede the Directorate General of Civil Aviation (DGCA), have been modelled primarily on its UK counterpart. The proposed body will be provided financial and administrative autonomy and will be able to take expeditious decisions on matters relating to a range of activities - from regulation of air traffic services and licensing to ensure financial fitness of airlines, sources said. The CAA is due to come up at a time when the country's total aircraft fleet now stands at about 440 and is estimated to cross 1,000 in a few years. In addition, there are over 200 helicopters and private jets. The passenger handling capacity of Indian airports, which was just 66 million in 2005, has reached 225 million now and is expected to cross 500 million in the next 10 years. In this

backdrop, the CAA would take over the responsibilities of the DGCA in areas like air safety, airspace regulation, setting aviation standards, licensing of airlines, pilots, air traffic controllers and consumer protection, the sources said. The Civil Aviation Ministry is also proposing to provide certain economic regulatory functions to the new authority, including airfares and areas like consumer protection, environmental research and consultancy.

IATA chief: EU having second thoughts on ETS and aviation news

The debate about the inclusion of non-EU airlines in the European Union's Emissions Trading Scheme (ETS) continues across the globe with the matter coming up for discussion at the Latin American and Caribbean Air Transport Assn. (ALTA) Airline Leaders Forum in Rio de Janeiro. In an interesting insight, IATA DG and CEO, Tony Tyler, acknowledged that though there were "no public signs" the EU was backing down, Tyler said IATA believes "they are having some second thoughts. "At the forum, an US official accused EU governments of "undermining" global efforts to control aviation carbon dioxide (CO2) emissions. US Dept of Transportation (DOT) assistant secretary for aviation and international affairs, Susan Kurlan, said that rather than working toward an international agreement through ICAO, governments around the world were wasting their time fighting the aviation sector's inclusion in the ETS starting next year. Considering that the US and many other nations agree with the EU objective of controlling aviation CO2 emissions, the EU approach of including non-EU airlines was Counterproductive, she said. The EU approach was "the wrong way to pursue the right objective," she said.

Govt panel recommends infusion of Rs 30,000 into Air India

A panel of secretaries has voted in favour of providing support of Rs 30,000 crore to Air India besides exploring the possibility of disinvesting government stake once it turns profitable. The capital infusion plan, spread over 10 years, is expected to face criticism from certain quarters on the grounds that the government will nurse a sick airline only to sell its stake to private players once it is healthy. This will also mark a reversal of the disinvestment policy followed by the UPA which has stayed away from roping in private players even in loss-making public sector companies. It has instead followed a policy of shedding stake and disinvesting through public issue of shares. The committee of secretaries opted to go with the recapitalization plan after looking at seven other options. According to the plan, the government estimates that Air India will make cash profits by financial year 2018 on equity infusion of Rs 30,231 crore. The revival scheme envisages that the cash-strapped carrier will be barred from inducting new aircraft, except Boeing 787, and, if needed, any additional aircraft should be acquired on lease. Besides, it will come with the stipulation

that fresh induction will come only after the profitability of a route is assessed. The government envisages that Air India would be made earnings before interest, taxes, depreciation and amortization (EBITDA) positive in 2013 with upfront equity of Rs 6,750 crore. The plan talks of setting up of Oversight Committee with representatives from finance ministry to monitor Air India with the mandate to ensure the national carrier achieves operational efficiency. The empowered committee will also monitor Air India's expenditure. The ambitious plan aims that Air India will have to improve passenger load factor to 73% by 2015 and 75% by 2020 from current passenger load at 67%, along with improving on-time performance to 90% by 2013. The current on-time performance is at 71.7%. The plan suggests review of HR policy across AI and subsidiaries and VRS package to be worked out in three months to right-size staff. The government had to intervene after Air India was in the red with net losses accumulated at Rs 20,320 crore from Apr 2007-Mar 2011, its outstanding loans - aircraft loan was of Rs 20,185 crore, working capital loan went upto Rs 22,165 crore and overdue payments was Rs 4,600 crore. The restructuring package was suggested by the committee of secretaries for consideration of a group of ministers headed by FM.

Aviation sector FDI norms under review

It now seems likely that the Government of India may allow foreign airlines to acquire a minority stake in domestic airlines. According to the secretary, ministry of civil aviation, Dr Nasim Zaidi, the Government is reviewing the existing Foreign Direct Investment policy framework for the domestic aviation sector. As of now; foreign airlines cannot own a stake either directly or indirectly in a domestic airline. The Government has also constituted a committee to look at the existing route dispersal guidelines to enhance connectivity, particularly to Tier II and III cities. The route dispersal guidelines govern the number of cities to which a domestic airline has to have regular operations. Dr Zaidi was addressing a conference on aviation organised by the Confederation of Indian Industry (CII). It is also being given to understand that a remote area connectivity fund has been proposed by the ministry of civil aviation in the forthcoming Twelfth Five-Year Plan.

GoM clears VRS for Air India



A government panel, otherwise referred to as a group of ministers (GoM), chaired by Pranab Mukherjee has asked state-owned Air India to offer an attractive voluntary retirement scheme (VRS) to its staff that can be part-funded by the government. The move comes with the realisation that no turnaround of the financially beleaguered carrier was possible without slashing its Rs3,600 crore annual wage bill. While the exact contours of the VRS are yet to be worked out, the scheme would target taking at least 4,000 staff off payrolls, airline officials said. The GoM decision, taken at its meeting on 28 October, would be sent to the Cabinet for approval. Industry experts suggest a "golden handshake" could likely cost the carrier upto Rs400 crore. Air India, formed after merger of two national airlines - erstwhile Indian Airlines and Air India - has over 36,000 permanent employees and operates a fleet of 121 aircraft. The industry standard of employee's ratio per aircraft is 100-150. Air India's annual wage bill stands at nearly Rs3, 600 crore, which, as per the original turnaround plan, should be brought down by at least 40 per cent. The airline hopes to trim its workforce by deploying nearly half of them in two new subsidiaries - Maintenance, Repair and Overhaul and ground handling - by next year.

ICAO adopts India position against EU's emission scheme



With the European Union's move to make the international aviation sector subject to taxes as part of its Emission Trading

Scheme (ETS) nearing its January 2012 implementation date, concerned nations from around the world are chalking out moves to counter the measure. As part of a move to present a common international front against EU's move, the Indian government presented a working paper to the International Civil Aviation Organization (ICAO), which has now been adopted as a resolution. 'After a long debate in the council of ICAO, the working paper presented by India and supported by 25 other states was fully adopted,' the civil aviation ministry said in a statement here. According to the statement, the working paper was adopted by the ICAO in a meeting on 2 Nov in Montreal (Canada). The paper urges the EU not to include non-EU airlines under the ETS. The EU had unilaterally passed a regulation to include aviation in the European Emissions Trading Scheme (ETS), whereby all airlines - regardless of nationality - would be taxed in a graded scheme for emission limits while operating over Europe. The ETS is scheduled to come into force from January 2012.

AIRPORT / INFRASTRUCTURE

Delhi overtakes Mumbai as busiest airport

Delhi airport has superseded Mumbai as the busiest in the country and it is only expected to consolidate its lead. Passenger traffic and air traffic movement figures reveal that Mumbai airport, which has been the busiest in the country since 2006-08, is now reaching a point of saturation, due to a dearth of space and delay in building a second airport. Though passenger traffic in Delhi was only 1.4% higher than Mumbai and flight movements higher by 11.61% in 2010, industry experts say the gap between the two airports will only widen from here. Despite a severe space crunch and hence limited infrastructure, Mumbai international airport till recently handled more traffic than Delhi. In 2006, Mumbai handled 21.37 million passengers whereas Delhi had 19.37 million passengers. The trend continued in 2007 and 2008 with Mumbai being way ahead of Delhi in passenger traffic. The scenario changed in 2009, when Delhi airport took a leap to 25.25 million passengers annually and Mumbai lagged behind with 24.80 million passengers. In 2010, Delhi handled 28.53 million passengers and Mumbai 28.13 million. The air traffic movement growth in Mumbai had already slowed down in comparison to Delhi. "Mumbai has a very well utilized airport. However, it faces a major space crunch which puts it at bigger odds than Delhi's Indira Gandhi International (IGI) airport," said a Delhi airport official. "While Mumbai has kept up the growth rate despite the odds, it will now need another airport," he added. The differences, according to most analysts, are starker between the two airports and any comparison would be unfair. Mumbai airport handled almost 29 million passengers in 2010-11. Mumbai International Airport Pvt Ltd (MIAL) is now constructing a new integrated terminal which will enable it to

handle 40 million passengers annually. "On the other hand, Delhi airport's T3 terminal itself can handle 34 million passengers. Terminal 1B can handle 10 million and T1 can handle around 7.5 million passengers," said Kapil Kaul, CEO, sub-continent and West Asia, Centre for Asia Pacific Aviation. Moreover, Mumbai airport's woes are compounded by the fact that it has cross-runways, which make simultaneous flight operations impossible and reduces flight handling capacity. Delhi on the other hand has two parallel and another almost-parallel runway. "At Mumbai, flights cannot land or take-off simultaneously. Only when one flight clears the runway can the other land or take-off. Also, cross-runway operations are possible only for 14 hours during a good, clear day. Delhi's runways can handle flights simultaneously. MIAL made the best out of the cross-runways and enhanced passenger and air traffic till now," a Mumbai airport official said. Kaul said once it reaches the 40-million passenger traffic mark, Mumbai airport will be saturated. "By 2013, if Mumbai reaches the 40-million mark by enhancing its infrastructure and air traffic control efficiency, it will be locked. Since Navi Mumbai airport will not come up any time before 2017, Mumbai's aviation growth and revenue will be stalled. MIAL is doing the best it can to expand resources, but now Mumbai is a closed airport. The government will have to expedite the clearances for Navi Mumbai airport, else comparing Mumbai and Delhi will be like comparing cheese and chalk," said Kaul.

AAI allows dismantling of equipment at Bangalore's HAL airport



The Airport Economic Regulatory Authority has cleared the way for collection of airport development fee (ADF) at the Delhi international airport, seven months after the Delhi High Court had stayed levy of the charge from 1 June. The levy is applicable on outbound passengers. Likely to start from 1 December, the airport will charge Rs1, 300 for international flyers and Rs200 for domestic passengers. The first stage of ADF collection will continue till May 2013. Once ADF collection begins passengers who have bought tickets earlier will have to pay in the extra amount. It is anticipated that long queues are going to result at check-in counters. Delhi International Airport (P) Limited (DIAL), which had been collecting airport development fee (ADF) since March 2009, had been allowed to collect it for a period of 36 months. "AERA has only extended that period for an additional 18 months. DIAL is facing a funding

gap of Rs1, 931.27 crore of which Rs1, 230.27 crore is being expected to be collected in stage 1. For Stage 2, the balance gap of Rs701 crore arising due to costs not incurred by DIAL as on March 30, 2010 (since incurred by DIAL), has been allowed to be recovered through ADF from June 2013 to February 2014," said a DIAL spokesperson.

AAI allows dismantling of equipment at Bangalore's HAL airport

In a major relief for the Airports Authority of India (AAI) the Karnataka High Court on Friday allowed this nodal authority to dismantle equipment from the old HAL airport in the city. AAI develops and manages airport infrastructure in the country. A division bench, headed by justice K Sreedhara Rao passed an order pursuant to an interlocutory application filed by AAI, which sought permission to dismantle equipment from the old HAL airport. AAI provided an undertaking that it would re-equip the airport with the entire necessary infrastructure in case the court ultimately allows the petitions seeking re-opening of the airport for commercial operations. A number of individuals and entities including RK Misra, the Bangalore City Connect Foundation, AAI Employees' Union have filed separate PILs challenging the closure of HAL airport, with the inauguration of Bengaluru International Airport in 2008. In its application, AAI had pointed out that the equipment, whose value runs into crores of rupees, was deteriorating due to disuse. It said it would like to make use of the equipment in tier-2 city airports, like Mangalore and Coimbatore. The equipment AAI wanted to dismantle at HAL Airport includes CCTVs, explosives detectors, X-ray machines, AC plants, baggage scanners, conveyor belts, escalators, elevators and passenger boarding bridges.

Chicago airports to go green

Chicago's airports will make a determined effort to go green with solar energy panels coming up on about 60 acres of land at O'Hare International Airport and a service station selling alternative fuels for private and commercial vehicles opening near the airport, Chicago's aviation chief has announced. She was speaking at the 2011 Airports Going Green conference. "The solar panels will provide a substantial renewable energy source to help power O'Hare, and the alternative fuelling station will promote the use of clean fuels and electricity to power vehicles," city aviation commissioner Rosemarie Andolino said at the conference. At the Midway Airport, a composting programme will be launched to handle food waste from the Southwest Side airport's 13 restaurants, Andolino said. A private waste hauler will collect compostable materials at Midway, ranging from leftover food to cardboard boxes, and deliver them to an off-site composting facility. A total of 200 tons of compostable waste at both airports will be diverted from landfills each year, officials said. "The fuelling station will be able to

provide alternative fuels like bio-diesel, ethanol, electric charging as well as traditional fuel" to commercial vehicles and private passenger vehicles, Andolino said, adding that construction of the facility is expected to begin in about a year. Electric vehicle charging stations are currently provided free of charge at O'Hare and Midway parking garages, Andolino said. The city also plans to issue a request for proposals in a few weeks inviting companies to bid to design, build and operate seven ground-based solar photovoltaic collection sites at O'Hare, Andolino said. The aim is to begin construction in about a year and to generate approximately 36 million kilowatt hours of energy per year, enough energy to power 3,800 homes annually; she said. Denver International Airport currently operates the biggest solar power system among US commercial airports, generating more than 8 megawatts of solar power on 45 acres of farmland near the airport. This accounts for about 6 per cent of the airport's electricity usage, airport officials said.

Eminent British architect proposes ambitious £50-bn Thames Hub project



An ambitious, £50-billion project dubbed the Thames Hub, which would include an airport to handle 150 million passengers, has been unveiled by a group of architects, planners and consultants, to boost the transport infrastructure in and around London. Eminent architect Norman Foster, chairman and founder of Foster + Partners, who unveiled the Thames Hub plan, believes the project "will lay the foundations for the future prosperity of Britain. 'Describing his plan as an integrated vision for Britain, Lord Foster said, "If we are to establish a modern transport and energy infrastructure in Britain for this century and beyond, we need to recapture the foresight and political courage of our 19th century forebears and draw on our traditions of engineering, design and landscape. 'But, "if we don't then we are denying future generations to come. We are rolling over and saying we are no longer competitive – and this is a competitive world. So I do not believe we have a choice. 'Foster's plan, unveiled after a £100,000-study carried out by his firm, rivals that of London mayor Boris Johnson's Thames

Estuary airport. But critics, including local communities and environmentalists, have lashed out at his ambitious project. Paul de Zylva, spokesman, Friends of Earth, said the proposed airport would devastate wildlife. "The aviation industry has been selling our environment down the river for far too long - ministers must say 'no' to airport expansion and the climate devastation it would bring," he said. Rodney Chambers of the Medway Council said the Isle of Grain in Kent, where Foster has suggested building the airport, is one of the worst places for an airport. "The plan to build an airport on the Isle of Grain is, quite possibly, the daftest in a long list of pie-in-the-sky schemes," he said. "The Isle of Grain is home to one of the world's largest liquefied natural gas terminals. It is obvious that aircraft and huge gas containers are a potentially lethal mix." British prime minister David Cameron is also opposed to an airport in the Thames Estuary. But Foster's plan calls for a multi-runway airport linked to high-speed passenger and freight rail links from London to the Midlands and the north of England and also to European networks through the Channel Tunnel. Foster, however, describes his plan for the Thames Hub and the 'spine' as being "born out of necessity, enthusiasm and frustration." His firm developed Hong Kong's new airport about 10 years ago by reclaiming land from the sea. "If Britain wants to compete with rapidly developing global economies, it must sort out its infrastructure and, if this is holistically planned with real political commitment it can also be a thing of beauty and environmentally friendly," he said. "I know it's against the national grain to come up with big plans and we'll be accused of playing Napoleon, but we have to get the debate going and show what a difference a radical new infrastructure plan could make to Britain."

TECHNOLOGY CIVIL / DEFENCE

Greater Noida to have world class pilot training



Top aircraft manufacturer Airbus and Canada's aviation technology company CAE have joined hands with India's Interglobe to establish a Pilot training centre in Greater Noida. The project worth 10 crore dollar will provide high class training to over

4000 pilots every year. The top officials of the foreign companies have confirmed that CAE and Interglobe are the primary equity partners for the project, while the Airbus will provide pilot training and curriculum. The centre will also provide training to foreign pilots. CAE Group president, Jeff Roberts said, "This centre will not train new pilots and will be operational in another 13-14 months. "Notably, this training unit will have six-simulators and each simulator will provide training to 700 pilots in a year. Refresher courses will also be conducted for new pilots. Airbus's Executive Vice President said, "We have promised to the Indian government that we will extend our support in such training programmes. We have about 30 training centers around the globe."

PBN can help alleviate air traffic problems in India: GE Aviation

GE Aviation highlighted the benefits of performance-based navigation (PBN) technology and how it can help in solving the problems associated with rising air traffic in India and around the world, at the US-India Aviation Summit at New Delhi. Speaking on the subject of PBN at the Summit, Steve Fulton, GE Aviation's Technical Fellow outlined how India could reap considerable benefits from the early adoption of required navigation performance (RNP) flight paths. The PBN technology from GE becomes extremely critical for India in the current scenario as air traffic in India has tripled during the last decade, and some estimates have the number of passengers more than tripling in the next 10-15 years. Also, airports in India, such as Bengaluru, which started operations only a few years ago, are seeking to increase air capacity to keep up with this pace of growth. In his address at the summit, Fulton discussed how RNP can help alleviate air traffic problems, by allowing aircraft to fly precisely-defined trajectories without relying on ground-based radio-navigation signals. This precision allows pilots to land the aircraft in weather conditions that would otherwise require them to hold, divert to another airport, or even to cancel the flight before departure. Since the procedures are very precise, they can be designed to shorten the distance an aircraft has to fly en-route, reducing noise, fuel burn and emissions. Because of RNP's precision and reliability, the technology can help air traffic controllers reduce flight delays and alleviate air traffic congestion. Like most countries, India has a Future Air Navigation System master-plan to modernise the skies. Part of the plan calls for implementation of PBN technologies to allow aircraft to fly more accurate, yet flexible, flight paths. Fulton added, "Fifty-two of India's airports already support RNP-capable air traffic and almost 80 per cent of the country's aircraft fleet is RNP capable."RNP has been the foundation for access improvements to some of the world's most physically constrained airports, such as in mountainous areas of China, New Zealand, Canada and Latin America. However, in addition to hurdling physical obstacles, RNP can be designed to deconflict busy airspace and to avoid noise sen-

sitive areas at airports that are not terrain-challenged. Inherent in the design of RNP paths are optimised profile descents (OPDs) that allow the aircraft to transition from cruise flight to landing in the most efficient way, further reducing noise and fuel burn. "India is in a fortunate position, because it is often easier to introduce RNP paths in newly developing areas where conflicts with legacy navigation infrastructure don't exist. Since India is keen to improve access to the more remote areas of the country – particularly in the Northeast as part of its regional redevelopment plans – RNP could well be one of the most important enabling factors," said Fulton concluding his address at the summit.

India plans to develop solar-powered UAV's



The Defence Research and Development Organisation (DRDO) has revealed that India plans to develop solar-powered unmanned flying machines with the capability of remaining airborne for at least a month in all weather conditions. With specially-designed solar panels to keep it airborne even in nights and cloudy weather conditions the UAV would be capable of providing real-time information and data of the area through a secure data link. The Rustom-1 UAV, developed by the DRDO, can remain airborne for 24 to 36 hours while Nishant has an endurance of nearly five hours.

Helicopter Acquisition by the IAF



AH-64 Apache



Russian Mi-28 Night Hunter

The Indian Ministry of Defence is currently in the process of finalising helicopter gunships for the IAF in a deal worth \$550 million. Its acquisition was earlier dogged by controversy. The

IAF intends to procure 22 attack helicopters for which trials have already been conducted in India as well in Russia and the US. The contenders are the US-made AH 64D Apache Longbow and the Russian Mil Mi 28 (Havoc). The twin-engine, twin-cockpit Mi-28 with a single under-nose gun and rocket pods attached to short wings is on offer from the Russians while the US is offering the Boeing-made AH64D Apache which is a four-blade, twin-engine attack helicopter that fires Hellfire missiles and has a tandem cockpit for two. Both helicopters are heavily armoured for close combat. The IAF also plans to ink a contract this year for the acquisition of heavy-lift helicopters for which the main contenders are Boeing's CH-47 Chinook and the Russian Mil Mi 26 T2. With the capability to airlift about 70 armed troops and artillery guns such as the ultra-light howitzers, a heavy-lift chopper is of immense strategic value. Also the most crucial contract is for the 197 light-utility helicopters for both the IAF and Indian Army which will be expanded to over 384 helicopters. The Eurocopter AS 550 Fennec and the Russian Kamov Ka 226 are in the race for which trials have been completed. These light-utility helicopters, meant for surveillance, will replace the vintage Cheetahs and Chetaks with the Armed Forces.

Irkut to Upgrade India's SU-30

In a deal to upgrade the Su-30MKI fleet of the IAF so as to provide it with capabilities similar to that of fifth-generation combat aircraft, Russia's Irkut Corporation confirmed that negotiations for the upgrade of the Su-30MKI, of which the IAF will eventually operate 272, are at an advanced stage.

Alexei Fedorov, the head of Irkut, announced that, in addition to an upgrade in cockpit avionics and enhancements to the aircraft's radar, the so-called 'Super Sukhoi' will also receive modifications aimed at improving stealth capabilities. The 'Super Sukhoi' would be enabled to carry a heavier weapons load, including the Indo-Russian developed BrahMos cruise missile. The enhancements to the aircraft's radar could include upgrading the existing NIIP N011M Bars radar with an Active Electronically Scanned Array (AESA) antenna thereby offering a substantial improvement in performance.





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