

Bernardi & Schnapp

ADVOGADOS



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Background:

- Until 2012, all major public airports in Brazil were operated by the Governmental owned company INFRAERO.
- In 2012 – privatization processes started.
- 6 main airports have been privatized according to this system.

Background:

First package: NAT: cost - 170 millions for 28 years of concession.

Second package:

- BSB: cost - BRL 4,5 billions for 20 years of concession.
- GRU: cost - BRL 16,21 billions for 20 years of concession.
- VCP: cost - BRL 3,82 billions for 30 years of concession.

Background:

Third package:

- GIG: cost - BRL 19 billions for 25 years of concession.
- CNF: cost – BRL 1,8 billions for 30 years of concession.

Miscellaneous system:

- 60 public airports are operated by INFRAERO.
- 06 public airports are operated by private operators under concession agreements.
- 126 airports are operated by states or municipalities.
- 5 airports operate under authorizations issued by ANAC (not for public air carriage – only charters, air taxi and on-demand flights).

Next Concession:

4th package:

Currently, ANAC is coordinating the concession to companies of the private sector of the following airports: Fortaleza (FOR), Salvador (SSA), Florianópolis (FLN) and Porto Alegre (POA).

The bid is expected to take place on March 16, 2017.

Main aspects of the new concession:

- INFRAERO will no longer remain as a shareholder of the concessionaire.
- The same company will be authorized to operate more than one airport, if such airports are in different geographic regions within the country (catchment areas).
- Airport operator must hold a minimum of 15% of the shares of the concessionaire (no longer 25%) – air carriers can hold up to 2%.

Main aspects of the new concession:

- Revenue:
 - a) from tariffs (boarding fees, landing fees, flight connection fees, warehousing fees etc): limited to caps established in the concession agreement; and
 - b) miscellaneous charges (rent of space within the airport): freely negotiable between the airport operator and third parties.

Main aspects of the new concession:

- Costs:
 - a) Initial Fixed Contribution;
 - b) Annual Fixed Contribution; and
 - c) Variable Contribution: 5% on yearly gross revenue.

Main aspects of the new concession:

- Airport operator (concessionaire) can request ANAC's approval to the end of limiting the number of handling companies operating at the airport area – but ANAC must establish a minimum.
- ANAC may determine airport operator to establish an SPE for rendering handling services if necessary for competition purposes.

Information on Public Bid - 4th Package:

SSA (9 millions passengers/year – estimated in 2047: 36,9 millions):

- Minimum offer: BRL 1,240 Billions (25% cash).
- Concession period: 30 years.
- Airport operator requirement: 5 years experience operating airport with movement of 9 millions passengers per year.
- 5% on yearly gross revenue.

Information on Public Bid - 4th Package:

FOR (6,3 millions passengers/year – estimated in 2047: 29,2 millions):

- Minimum offer: BRL 1,440 Billions (25% cash).
- Concession period: 30 years.
- Airport operator requirement: 5 years experience operating airport with movement of 7 millions passengers per year.
- 5% on yearly gross revenue.

Information on Public Bid - 4th Package:

POA (8,4 millions passengers/year – estimated in 2047: 22,84 millions):

- Minimum offer: BRL 123 Millions (25% cash).
- Concession period: 25 years.
- Airport operator requirement: 5 years experience operating airport with movement of 9 millions passengers per year.
- 5% on yearly gross revenue.

Information on Public Bid - 4th Package:

FLN (3,7 millions passengers/year – estimated in 2047: 13,9 millions):

- Minimum offer: BRL 211 Millions (25% cash)
- Concession period: 30 years.
- Airport operator requirement: 5 years experience operating airport with movement of 4 millions passengers per year.
- 5% on yearly gross revenue.

THANK YOU

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