



# Standing Committee Report Summary

## The Airports Economic Regulatory Authority of India Bill, 2007

- The Standing Committee on Transport, Tourism and Culture submitted its 133rd Report on 'The Airports Economic Regulatory Authority of India Bill, 2007' on April 17, 2008. The Chairperson was Shri Sitaram Yechury.
- The Committee recommends that the Bill should define "stakeholder" and clearly state who are the principal stakeholders and establish unambiguously their role in the functioning of the Airport Economic Regulatory Authority (AERA) and the consultative process for decision making in the AERA.
- Since cargo is a major component of the civil aviation sector, the Committee recommends that the definition of "airport user" should include cargo.
- The Bill states that the AERA shall be composed of a chairperson and two members to be appointed by the central government. The Committee recommends that if any member of the AERA has worked with any of the stakeholder organisations, there should be a minimum cooling period before he can be appointed in the AERA. It also recommends that expertise on competition law and policy should be one of the criteria for selecting a member for AERA. Also, the law should accommodate experts from the private sector in the AERA.
- The Committee observes that although the basic infrastructure of the airport is geared towards providing aeronautical services which includes landing, housing and parking of an aircraft, the airports also provide banks and other office spaces. The Committee recommends that non-aeronautical services be included in the Bill and revenue for non-aeronautical services be brought under the ambit of AERA.
- The Committee feels that there is a gap between the aeronautical services listed in the Bill and the services covered under the concession agreement for airports signed by the government or the Operations Management Development Agreement (OMDA). While the Bill only includes the navigation, surveillance and supportive communication for Air Traffic Management and for landing, housing or parking of aircraft, the OMDA includes baggage systems, check-in concourses, hydrant infrastructure for aircraft fuelling services, etc. The Committee thus recommends that AERA oversight of aeronautical services should be extended to all major aeronautical service heads laid out in the agreements.
- The Committee proposes that the fuel supply infrastructure should be brought under the purview of the Bill.
- The Bill covers only airports that handle 1.5 million or more passengers per annum. The Committee does not find any valid reason to limit the role of AERA to these airports and recommends that it should regulate all airports used for the operation of commercial flights irrespective of size, ownership or throughput of passengers.
- The Committee suggests that the Bill should ensure that those who are members of the AERA should not be appointed to the Appellate Tribunal.
- The Committee recommends that a Airport Regulatory Authority of India General Fund should be created to meet the administrative expenses of AERA.

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