



Airports Economic Regulatory Authority of India

Guidelines On Stake-holder Consultation

**Rajiv Gandhi Bhawan
Safdarjung Airport
New Delhi – 110 003**

14th December 2009

Guidelines On Stakeholders Consultation

As per S. 13(1) of the Airports Economic Regulatory Authority of India Act, 2008, the Authority is required to perform following functions in respect of major Airports:

- (a) to determine tariff for aeronautical services;
- (b) to determine the amount of development fees;
- (c) to determine the amount of PSF;
- (d) to monitor set performance standards relating to quality continuity and reliability of the service as maybe specified by the Central Government or any other Authority authorized by it in this behalf.

2. As per sub-section (4) of the said Section 13, the Authority shall ensure transparency while exercising its powers and discharging its functions, inter-alia:

- (a) by holding due consultation with all stake-holders at the airport;
- (b) by allowing all stake holders to make their submissions to the Authority; and
- (c) by making all decisions of the authority fully documented and explained.

3.1 The Stake-Holder; is defined in clause (O) of Section 2 of the Act as under:

“ ‘Stake-Holder’ includes a licensee of an airport, airlines operating thereat, a person who provides aeronautical services, and any association of individuals, which in the opinion of the Authority, represents the passenger or cargo facility users”.

3.2 The ‘stake-holders’ would, as such, fall in the following categories:

- (i) Licensee of an airport;
- (ii) Airlines operating at an airport;
- (iii) Any person who provides aeronautical services;
- (iv) Any association of individuals, which in the opinion of the Authority, represents the passengers; and
- (v) Any association of individuals, which in the opinion of the Authority, represents the cargo facility users.

4. The Authority has been involving the airport operators, Association of Private Airport Operators (APAO), all Indian registered airlines, Federation of Indian Airlines (FIA), International Air Transport Association (IATA) and Board of Airline Representatives (India) in the consultation process.

5.1 As regards the representation of passengers and cargo facility users, the Authority had circulated Consultation Paper no. 2/2009-10 dated 8.10.2009 suggesting draft guidelines.

5.2 The Authority noted that normally, at every airport having cargo facility, the Associations representing Freight Forwarders, Custom House Agents etc. are duly identified, which are, as a matter of practice, consulted by the airport operators/regulatory agencies. Further, most of the air cargo movements in our country relate to international trade, i.e., import and export. The Federation of Indian Export Organizations (FIEO) is recognized as an apex body representing the interests of the importers and exporters.

5.3 The passengers at airports, broadly, fall in the following categories:

- (i) Business travellers where cost of travel is borne by the relevant corporate house/business enterprise.
- (ii) Government/PSU/Statutory Body officials where cost of travel is borne by the Government/PSU/Statutory Body concerned.
- (iii) Leisure/individual travellers where cost of travel is borne by the individual concerned.

5.4 It was felt that the interest of the aforesaid passenger groups could be adequately represented before the Authority in the following manner:

- (i) The interests of the corporate houses/business enterprises are represented at national level by three apex chambers of commerce and industries viz., Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII) and Associated Chambers of Commerce and Industry (ASSOCHAM). Therefore, these apex chambers could represent the concerns of the business travellers whose travel is paid for by the corporate houses/business enterprises concerned. In addition, at local levels, several chambers of commerce and industries are generally recognized to represent the interests of the local industry and enterprise such as the PHD Chambers of Commerce and Industry (in Delhi), Indian Merchants Chamber (in Mumbai) etc.
- (ii) Travel on account of Government is normally guided by the instructions issued by the Department of Expenditure in so far as the Central Government and its organizations are concerned. In respect of the State Governments, mostly State Finance Departments are concerned in the matter. Therefore, concerns of the passengers traveling on Government account could be represented by the Department of Expenditure, Government of India and the respective State Government through their nominees.

- (iii) The leisure/individual travellers would need to be represented adequately through representative consumer organizations. The Department of Consumer Affairs, Government of India, which is the nodal Department in this regard, could nominate one or more consumer organizations to represent the interests of such passengers at major airports.

5.5. In view of the above, it appeared that the consultation with the following entities/representatives would adequately fulfill the mandate of Section 13(4) read with Section 2(o) of the Act in so far as the passenger or cargo facility users, are concerned:

- (i) Cargo Facility Users: Local Associations of Freight Forwarders, Custom House Agents etc. In addition, apex chambers such as FIEO, FICCI, CII, ASSOCHAM may also be consulted.
- (ii) Passengers:
 - (a) FICCI, ASSOCHAM, CII and any local chamber;
 - (b) Representative(s) of the Central Government;
 - (c) Representative(s) of the State Government concerned;
 - (d) One or more consumer organizations to be nominated by the Department of Consumer Affairs.

5.6 The last date for receipt of comments / suggestions was 30.10.2009, which was subsequently extended up to 20.11.2009.

6.1 The Apex Chambers viz., FIEO, CII and FICCI have agreed to be a regular part of consultation process with the Authority. ASSOCHAM has not conveyed any views. Therefore, it is presumed that ASSOCHAM also has no objection to be part of the consultation process.

6.2 The Ministry of Finance, Department of Expenditure, Government of India have suggested that the Joint Secretary & Financial Advisor, Ministry of Civil Aviation and a representative of Ministry of Civil Aviation could represent the views of the Government in respect of passengers travelling on account of the Central Government/Central PSUs etc.

6.3 The comments have been received from various State Governments welcoming the consultation process and agreeing to be a part of this process on a regular basis.


6.4 The Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India have furnished a list of 33 consumer organizations, which have been nominated to the Central Consumer Protection Council or nominated to the BIS or are registered under BIS Scheme. A list of prominent voluntary consumer organizations who have been given funds

for implementing the projects under the Consumer Welfare Fund has also been separately furnished.

7. Keeping in view the comments/suggestions received from the stake holders, the Authority has decided that following organizations/persons shall, henceforth, be consulted so as to represent the interest of cargo facility users and the passengers:

- (a) Cargo Facility Users: Local Associations of Freight Forwarders, Air Cargo Agents, Custom House Agents etc. In addition, apex chambers such as FIEO, FICCI, CII, ASSOCHAM may also be consulted.
- (b) Passengers:
 - (i) Business Travellers - FICCI, ASSOCHAM, CII and any local chamber;
 - (ii) Passengers travelling on account of Central Government/Central PSUs/Statutory Body/Autonomous Bodies – Joint Secretary & Financial Advisor, Ministry of Civil Aviation, and a representative of Ministry of Civil Aviation.
 - (iii) Passengers travelling on account of State Governments/State PSUs/Statutory Bodies/Autonomous Bodies – Respective State Governments through the Chief Secretary concerned.
 - (iv) Leisure/Individual Travellers -
 - Voluntary Organization in Interest of Consumer Education, 441, Jangpura, Mathura Road, New Delhi – 110014.
 - Consumer Education and Research Center, 'Suraksha Sankool', Thaltej, Sarkhej-Gandhinagar Highway, Ahmedabad-380054, Gujarat.
 - Consumer Unity & Trust Society (CUTS), D-127, Bhaskar Marg, Bani Park, Jaipur 302 016, Rajasthan.

8. It is clarified that the issues coming up for the decision of the Authority would be decided through an open consultative process viz. by uploading on the website. It would be open for the Organizations/Persons, other than those listed in para 7 above, also to comment/respond.


(Sandeep Prakash)
Secretary

Airports Economic Regulatory Authority of India



सत्यमेव जयते

Guidelines On Stake-holder Consultation- Modification-regarding

**AERA Building
Administrative Complex
Safdarjung Airport
New Delhi – 110 003**

24th March, 2011

Guidelines on Stakeholders Consultation

In partial modification of the “**Guidelines on Stakeholder Consultation**” issued by the Authority on 14.12.2009, it has been decided that following organizations shall, henceforth, be also consulted so as to represent the interest of cargo facility users and passengers.

- (i) Express Industry Council of India (EICI),
501, Crystal Centre, Raheja Vihar,
Off Chandivali Farm Road,
Powai,
Mumbai-400072
- (ii) Air Passengers Association of India (APAI),
Block A, II Floor,
138, Nungambakkam High Road,
Nungambakkam,
Chennai-600034


(Sandeep Prakash)
Secretary