



**Airports Economic Regulatory Authority of India**

**Draft Guidelines  
On  
Stake-holder Consultation**

**New Delhi: 8<sup>th</sup> October, 2009**

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Near Safdarjung Airport  
New Delhi – 110003**

In terms of Section 13(1) of the Airports Economic Regulatory Authority of India Act, 2008 (the Act), the Airports Economic Regulatory Authority (the Authority) is, inter-alia, 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 services as may be specified by the Central Government or any other Authority authorized by it in this behalf.

Presently, 11 (eleven) airports namely IGI Airport, New Delhi; CSI Airport, Mumbai; NSCBI Airport, Kolkata; Chennai; RGI Airport, Hyderabad; Bangaluru; Kochi; Trivandrum; Goa; Ahmedabad; and Pune are identified as major airports.

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 consultations with all stake-holders with 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:

“ '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 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 entities at (i) to (iii) above can be easily identified in respect of any airport. As regards, the association of individuals which represent the cargo facility users, i.e., (v) above, it is understood 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.

5.1 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.

5.2 Having regard to their broad profile, the passengers could be said to 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. This is a illustrative and not an exhaustive list. The suggestions of the respective State Governments would also be considered in this regard.
- (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 suggest one or more consumer organizations to represent the interests of such passengers at major airports.

6. In view of the above, the Authority is, prima-facie, of the opinion that 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 as may be suggested by the Department of Consumer Affairs.

7. Authority hereby solicits comments of all concerned on the draft guidelines proposed to be adopted, as indicated in para 6 above. Comments/submissions may be please furnished latest by 30.10.2009 at the following address:

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