

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1285
ANSWERED ON:01.12.2005
RECOMMENDATIONS OF NARESH CHANDRA COMMITTEE
Thakkar Smt. Jayaben B.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of recommendations made by the Naresh Chandra Committee;
- (b) the details of recommendations which have been adopted by the Government; and
- (c) the reasons for not accepting the remaining recommendations?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a):- The details of the main recommendations made by the Naresh Chandra Committee are as under:-

- \$ Lowering systems costs by introducing liberal fiscal regime- rationalisation of taxes on ATF and AVGAS.
- \$ Allow airlines to source ATF from supplier of their choice and improving coordination with other ministries.
- \$ Provide common hydrant infrastructure at airports for supply of ATF.
- \$ Reduce airport charges to international level.
- \$ Liberalise international air transport segment.
- \$ Join regional/multilateral groups for better international connectivity.
- \$ Allow domestic private airlines to operate international services.
- \$ Liberalise international air charters.
- \$ Restructuring of Indian Airlines/Air India/Pawan Hans Helicopters Ltd. by disinvestments etc.
- \$ Lower entry barriers for domestic airlines.
- \$ Raise FDI limits in domestic airlines from 40 to 49% and permit foreign airlines to hold equity.
- \$ Encourage regional air services.
- \$ Establishment of Essential Air Services Fund (EASF) to maintain essential but uneconomical air services/airports.
- \$ Maintain essential air services by minimum subsidy bidding and abolish route dispersal guidelines.
- \$ Encourage helicopter operations and announce specific policy and procedures for helicopter operations.
- \$ Encourage general aviation by suitable incentives.
- \$ Unbundled Airports Authority of India (AAI).
- \$ Expedite privatisation of Mumbai and Delhi airports and privatise other airports as well.
- \$ Ensure choice in ground handling services .
- \$ Upgrade computer systems and provide more space at international airports for immigration and other services.
- \$ Separate ATC services from AAI and vest them with a government owned ATC Corporation under the purview of DGCA.

\$ Establish a separate economic regulator for aviation sector i.e. Aviation Economic Regulatory Authority (AERA).

\$ Set up mechanism for effective coordination among various agencies.

\$ BCAS should remain the nodal agency for aviation security.

\$ Take suitable measures for strengthening the infrastructure for training of Pilots, Engineers and other technical personnel, including commercialisation of IGRUA.

\$ Legislation of Civil Aviation Security Act.

\$ Improve Immigration and Customs procedures.

\$ Restructure of DGCA and split up accident investigation from DGCA to a separate authority.

\$ Amend the Aircraft Act 1934, Aircraft Rules 1937 and the Regulations for effective regulation of all aspects of aviation.

\$ Enhancement of Air Space Capacity.

\$ Airport capacity enhancement.

\$ Enhancement of Communication, Navigation & Surveillance Capability.

\$ Development of Helipads and Heliports.

\$ Take measure to promote Export of indigenous Aeronautical Products.

(b) and (c):- These recommendations have been examined & a comprehensive 'National Civil Aviation Policy' has been drafted in consultation with the stakeholders in the aviation sector. A draft of the Civil Aviation Policy is under consideration of Government in consultation with concerned Ministries.