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14.35 hrs.

Title: Discussion on the Airports Economic Regulatory Authority Of India Bill, 2007 (Bill passed).

MR. DEPUTY-SPEAKER : Now, we will take up Item No. 31. Shri Praful Patel.

...(Interruptions)

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): I beg to move* :

"That the Bill to provide for the establishment of an Airports Economic Regulatory Authority to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports and also to establish Appellate Tribunal to adjudicate disputes and dispose of appeals and for matters connected therewith or incidental thereto, be taken into consideration."

Mr. Deputy Speaker, Sir, I place before this August House the official amendments to the Airports Economic Regulatory Authority of India Bill, 2007, which was introduced in this House on 5.09.2007. ...(Interruptions)

As the hon. Members are aware, with the growth in the civil aviation sector, there has been a felt need to improve airport infrastructure. The Airports Authority of India Act, 1994 and the Aircraft Rules, 1937 were amended in 2004 to enable the participation of the private sector in airports, for improving quality, efficiency and for increasing competition. As a result of this initiative, greenfield airports have come up at Bangalore and Hyderabad in public private partnership mode. A similar airport was already fully operational at Cochin. Delhi and Mumbai airports have also been restructured through joint venture route for modernization and upgradation. ...(Interruptions)

Sir, airports are natural monopoly and therefore it is essential to ensure that tariffs are commensurate with the level of services rendered. Further, there is a need for creating a level playing field amongst different categories of airports.

* Moved with the recommendation of the President.

Besides, prospective investors are seeking certainty about regulatory regime over the concession period. Keeping these facts in background, it is imperative that an independent regulatory authority be set up to regulate tariffs of aeronautical services and to monitor set performance standards to ensure operation of efficient, economic and viable airports. ...(Interruptions)

It is with this view that I had, last year, introduced the Airports Economic Regulatory Authority Bill, 2007 in this House, which, besides setting up of the Airports Economic Regulatory Authority (AERA), also provides for establishing of an Appellate Tribunal to decide disputes between the stake holders and to consider appeals arising out of the orders of the regulatory authority. ...(Interruptions)

The Bill was considered by the Standing Committee, which made several recommendations. The major recommendations of the Committee relate to inclusion of non-aeronautical services in the ambit of AERA; fuel supply infrastructure at the airports to be brought under the regulatory ambit; and role of AERA and its functions to be extended to cover all airports irrespective of the size. Having given our anxious consideration to the recommendations made by the Committee, Government are of the view that there is a scope of monopolistic practice developing in respect of the determination of throughput charges paid by the oil companies to the airport operator for use of airport infrastructure / assets. Therefore, we are in agreement with the recommendations of the Committee on this count. We are also of the view that besides the same, services such as ground handling services and services relating to cargo facilities, also tend to be of a monopoly nature and, therefore, should specifically be brought in the ambit of AERA. ...(Interruptions)

As regards regulation of non-aeronautical services, it is felt that such services are usually provided through concessionaires, who are appointed through the open competitive bidding process wherein the market determines the value of concessions. Further, normally there are competing outlets at an airport in respect of most of the non-aeronautical services. These services are, therefore, not monopolistic in nature. As such, there is no need for regulation of charges of non-aeronautical services by AERA. At the same time, it is important to notice that internationally major airports earn bulk of their revenue through non-aeronautical stream, which enables them to moderate the aeronautical charges. In our country also there is a trend for increasing non-aeronautical revenue. ...(Interruptions)

Keeping this in view, it is felt that one of the factors relevant for determining the tariff for the aeronautical services could be revenue generated by the airport operator through non-aeronautical services. In other words, while charges for non-aeronautical service need not to be regulated, per se, the revenue generated therefrom may be taken as a factor relevant for determination of charges for aeronautical services by AERA. A few of other recommendations of the Standing Committee have also been accepted. ...(*Interruptions*)

Sir, the official amendments, which I am moving now, take into account the recommendations of the Standing Committee to the extent indicated above. I commend this Bill for the consideration and passage of this August House. It is our earnest belief that with the passage of this Bill by the Parliament, we would be in a position to establish an autonomous regulatory regime for the expanding airport infrastructure sector in the country, which would ensure that airport services of highest order are provided to the traveling public and other users at reasonable charges. ...(*Interruptions*)

श्री गिरधारी लाल भार्गव (जयपुर): उपाध्यक्ष महोदय, मैं प्रस्ताव करता हूँ:

"कि विधेयक पर 26 फरवरी, 2009 तक राय जानने के लिए विधेयक परिचालित किया जाए।"

मैं यह भी मांग करता हूँ कि जयपुर एरोड्रम का नाम महाराजा मान सिंह अंतर्राष्ट्रीय एरोड्रम रखा जाए।...(*व्यवधान*)

MR. DEPUTY-SPEAKER: Motion moved :

"That the Bill to provide for the establishment of an Airports Economic Regulatory Authority to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports and also to establish Appellate Tribunal to adjudicate disputes and dispose of appeals and for matters connected therewith or incidental thereto, be taken into consideration."

"कि विधेयक पर 26 फरवरी, 2009 तक राय जानने के लिए विधेयक परिचालित किया जाए।"

DR. THOKCHOM MEINYA (INNER MANIPUR): Sir, I stand to support the Bill. ...(*Interruptions*) But I would like to make an appeal to the hon. Civil Aviation Minister -- while supporting the Bill -- regarding some of the problems being faced by the airports along the border-States of the country. ...(*Interruptions*)

उपाध्यक्ष महोदय : सिर्फ मैन्या जी की बात रिकॉर्ड में जाएगी।

â€¦(*व्यवधान*)

MR. DEPUTY-SPEAKER : Only. Dr. Meinya's statement will be recorded, and whosoever speaks without my permission will not be recorded.

(*Interruptions*)*

DR. THOKCHOM MEINYA (INNER MANIPUR): There are no night-landing facilities in the airports of the border-States, particularly, in North-East India including Imphal. ...(*Interruptions*) As a result of this we cannot come back late from our constituency to the capital. ...(*Interruptions*) The same is the situation with Bhuwaneshwar and some other smaller airports in Vizag and in the North-East side of the country including J&K. ...(*Interruptions*)

I would like to appeal to the hon. Minister to provide night-landing facilities in all these airports, particularly, the border-States including Imphal. Thank you very much. ...(*Interruptions*)

SHRI PRAFUL PATEL : Some of the suggestions that have been made by the hon. Member are important. ...(*Interruptions*)
However, the Bill has express provisions to include more airports within the regulatory framework as and when required.
...(*Interruptions*) The Bill, as it stands today, does not ...(*Interruptions*)

Therefore, there will be no problem in the future. ...(*Interruptions*)

I would request that the Bill, as placed, be passed. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: I shall now put Amendment No. 16 moved by Shri Girdhari Lal Bhargave to the vote of the House.

The amendment was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to provide for the establishment of an Airports Economic Regulatory Authority to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports and also to establish Appellate Tribunal to adjudicate disputes and dispose of appeals and for matters connected therewith or incidental thereto, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER: The House will now take up clause-by-clause consideration of the Bill.

...(*Interruptions*)

Clause 2 Definitions

Amendments made:

Page 2, *after* line 10, *insert*--

"(iv) for ground handling services relating to aircraft, passengers and cargo at an airport;

(v) for the cargo facility at an airport;

(vi) for supplying fuel to the aircraft at an airport; and

(vii) for a stake-holder at an airport, for which the charges, in the opinion of the Central Government for the reasons to be recorded in writing, may be determined by the Authority;". (3)

Page 2, line 14, *for* "passenger", *substitute* "passenger or cargo" (4)

Page 2, *after* line 37, *insert*--

'(o)' "stake-holder" includes a licensee of an airport, airlines operating there at, 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;'. (5)

Page 2, line 38, *for* "(o)", *substitute* "(p)" (6)

(Shri Praful Patel)

MR. DEPUTY-SPEAKER: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clauses 3 to 5 were added to the Bill.[\[r6\]](#)

**Clause 6 Terms of Office and other conditions
of service etc. of Chairperson and Members.**

Amendment made:

Page 4, *after* line 4, *insert*“

"Explanation.â€”For the purposes of this sub-section, a Member may be appointed as Chairperson of the Authority, but a person who has been the Chairperson shall not be eligible for appointment as a Member."
(7)

(Shri Praful Patel)

MR. DEPUTY-SPEAKER: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clauses 7 to 12 were added to the Bill.

Clause 13 Functions of Authority

Amendments made:

Page 6, *after* line 3, *insert*“

"(v) revenue received from services other than the aeronautical services;". (8)

Page 6, line 4, *for* "(v)", *substitute* "(vi)" (9)

Page 6, line 6, *for* "(vi)", *substitute* "(vii)" (10)

Page 6, line 9, *for* "(i) to (vi)", *substitute* "(i) to (vii)". (11)

(Shri Praful Patel)

MR. DEPUTY-SPEAKER: The question is:

"That clause 13, as amended, stand part of the Bill."

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clauses 14 to 55 were added to the Bill.

...(Interruptions)

The Schedule

Amendments made:

Page 17, line 8, *for* "2007", *substitute* "2008". (12)

Page 17, line 17, for "2007", substitute "2008". (13)

Page 17, line 21, for "2007", substitute "2008". (14)

Page 17, line 23, for "2007", substitute "2008". (15)

(Shri Praful Patel)

MR. DEPUTY-SPEAKER: The question is:

"That the Schedule, as amended, stand part of the Bill."

The motion was adopted.

The Schedule, as amended, was added to the Bill.

...(Interruptions)

उपाध्यक्ष महोदय : आप सीट पर जाइये, हम आपकी बात सुनेंगे।

â€!(ल्यवधान)

उपाध्यक्ष महोदय : आप कृपया अपनी सीटों पर जाएं, मैं आपकी बात सुनूंगा।

â€!(ल्यवधान)

उपाध्यक्ष महोदय : आप अपनी सीट पर जाएं, मैं आपकी बात सुनूंगा।

â€!(ल्यवधान)

उपाध्यक्ष महोदय : आप अपनी सीट पर जाएं, मैं आपकी बात सुनूंगा।

â€!(ल्यवधान)

उपाध्यक्ष महोदय : आप बोलना चाहेंगे तो मैं आपको मौका दूंगा।

â€!(ल्यवधान)

उपाध्यक्ष महोदय : आप मेरी बात सुनें।

â€!(ल्यवधान)

उपाध्यक्ष महोदय : आप मेरी बात सुनें।

â€!(ल्यवधान[b7])

MR. DEPUTY-SPEAKER: Please listen to me.

...(Interruptions)

उपाध्यक्ष महोदय : आप लोभ पहले मेरी बात तो सुनिए।

...(ल्यवधान)

MR. DEPUTY-SPEAKER: The House stands adjourned to meet again at 3:15 pm.

14.47 hrs

The Lok Sabha then adjourned till Fifteen Minutes

past Fifteen of the Clock.

15.15 hrs

*The Lok Sabha re-assembled at fifteen minutes
past Fifteen of the Clock.*

(Mr. Deputy-Speaker *in the Chair*)

...(Interruptions)

15.15 ¼ hrs

*(At this stage, Shri Vijoy Krishna and some other hon. Members came
and stood on the floor near the Table.)*

...(Interruptions)

**AIRPORTS ECONOMIC REGULATORY AUTHORITY
OF INDIA BILL, 2007-contd.**

MR. DEPUTY-SPEAKER : Now, we will take up further clause by clause consideration of the Bill.

...(Interruptions)

Clause 1 Short title, commencement and application

Amendment made:

Page 2, line 5, for "2007", substitute "2008" (2)

(Shri Praful Patel)

MR. DEPUTY-SPEAKER: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1, for "Fifty-eighth", substitute "Fifty-ninth". (1)

(Shri Praful Patel)

15.16 hrs

*(At this stage, Shri S. Ajaya Kumar and some other
hon. Members came and stood on the floor near the Table.)*

MR. DEPUTY-SPEAKER: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Long Title was added to the Bill.

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): I beg to move:

"That the Bill, as amended, be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

15.17 hrs

*(At this stage, Shri S. Ajaya Kumar and some other
hon. Members went back to their seats.)*

MR. DEPUTY-SPEAKER: The House stands adjourned to meet tomorrow, the 23rd October, 2008 at 11 a.m.

15.17 hrs

The Lok Sabha then adjourned till Eleven of the Clock

on [\[r8\]](#) Thursday, October 23, 2008/Kartika 1, 1930 (Saka).

[\[r1\]](#)(Cd. by d1)

[\[r2\]](#)fd by e

Fd. By g1 [\[r3\]](#)

[\[k4\]](#)fd by k1

[\[l5\]](#)Fld by L

Fld.. by m1 [\[r6\]](#)

[\[b7\]](#)(fd. by n1)

[\[r8\]](#)