

F.No.AERA/10015/C.Charter/2010-11
Airports Economic Regulatory Authority of India

**AERA Building,
Administrative Complex,
Safdarjung Airport,
New Delhi.**

Dated the 21st February, 2011

Public Notice No.11/2010-11

Authority proposes to issue a Citizen Charter shortly. The Draft Citizen Charter is attached herewith. The Authority solicits feedback, comments and suggestions from stakeholders on the Draft Citizen Charter. Comments/submissions may please be furnished to the Authority, **latest by Thursday, 24th February, 2011**, at the following address:

Shri Sandeep Prakash

Secretary

Airports Economic Regulatory Authority of India

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Rsethi

(Reena Sethi)

Dy. Chief

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CITIZEN'S CHARTER

This Charter is a declaration of our vision, mission, services and our commitment to act in a transparent manner

Airports Economic Regulatory Authority of India

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Air transport is a significant contributor to the economic growth. Developments in the Indian aviation sector, during the recent years have been impressive. While increasing aviation connectivity has brought enormous economic and social benefits, India is confronted with the challenge to provide aviation services and infrastructure of international standards. Airports are integral to the total global transport supply chain. The time has come to position our major airports on the world aviation map as *engines of growth*. The Airports Economic Regulatory Authority of India was constituted with the objective to achieve operation of efficient, economic and viable airports and to regulate the tariffs of aeronautical services at major airports.

1. Introduction

1.1 The Airports Economic Regulatory Authority (AERA) is a statutory body constituted under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008) notified on 5th December, 2008. The Authority was established by the Government vide its notification no. GSR 317 (E) dated 12th May, 2009, with its head office at Delhi.

1.2 As per Section 4 of the Airports Economic Regulatory Authority of India Act, 2008, the Authority consists of a Chairperson and two other Members to be appointed on the recommendations of a Selection Committee set up by the Central Government. Provided that whenever the Authority is deciding a matter involving a Civil Enclave in a Defence airfield, there shall be an additional Member, not below the rank of Additional Secretary to the Government of India, to be nominated by the Ministry of Defence.

1.3 The Chairperson is the Chief Executive of the Authority.

2. Our Vision, Mission and Objectives

2.1 Vision

To become a world class economic regulator for Airports and Air Navigation Services for provision of quality aeronautical services and determination of tariffs for economic and viable operation of major airports and air navigation services.

2.2 Mission

To safeguard the reasonable interests of stakeholders through open, fair, transparent and progressive regulatory regime consistent with best global practices

2.3 Objectives

(a) Facilitating wider policy aims for the aviation sector through the regulation of major airports, recognising their role in the sector and economy.

(b) Protecting and promoting the interests of existing and future users of major airports and air navigation services through provision of quality services commensurate with the respective tariffs/charges, keeping in particular focus the interests of passengers and cargo facility users and the user expectations.

(c) Promoting investment in airports and air navigation services and their effective management so that all reasonable demands for airport services are met efficiently.

2.4 Operationalising the Objectives for Economic Regulation

The Authority will operationalise these broader regulatory objectives through the following three key parameters:

(a) Viable operations of airports in terms of maintaining investor confidence of a fair rate of return on 'net investment' in those airports.

(b) Specification of a framework and qualitative and quantitative parameters to ensure that the quality of service provided at airports while determining tariffs is consistent with the net investment in those airports and the user expectations.

(c) Ensuring efficiency, adequacy and consistency in provision of air navigation services by encouraging efficient and appropriate investment through a fair rate of return.

3. Functions

The Authority is required to perform following functions in respect of major airports:

- a) To determine the tariff for the aeronautical services taking into consideration:
 - i. the capital expenditure incurred and timely investment in improvement of airport facilities.
 - ii. the service provided, its quality and other relevant factors.
 - iii. the cost for improving efficiency.
 - iv. economic and viable operation of major airports.
 - v. revenue received from services other than the aeronautical services.
 - vi. the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise.
 - vii. any other factor which may be relevant for the purposes of the Act.

- b) To determine the amount of the development fees in respect of major airports.
- c) To determine the amount of the Passengers Service Fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934.
- d) To monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorized by it in this behalf.
- e) To call for such information as may be necessary to determine the tariff under clause (a).
- f) To perform such other functions relating to tariff, as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of the Act.

Provisions have been made in the Airports Authority of India Act, 1994; the Aircraft Act 1934 and; the Aircraft Rules, 1937 in respect of Authority's powers relating to the determination of tariff; the determination of amount of development fee; and the determination of rate of user development fee.

4. Aeronautical services means any service:

- (i) for navigation, surveillance and supportive communication thereto for air traffic management;
- (ii) for the landing, housing or parking of an aircraft or any other ground facility offered in connection with aircraft operations at an airport;
- (iii) for ground safety services at an airport;
- (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 stakeholder 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.

The Central Government have not, till date, declared any service as aeronautical service in terms of Clause (vii) above.

5. Major Airport

Major airport means any airport which has, or is designated to have, annual passenger throughout in excess of one and a half million or any other airport as the Central Government may, by notification, specify as such. As per traffic statistics for 2009-10, following airports are major airports:

1. Mumbai
2. Delhi
3. Cochin
4. Hyderabad
5. Bangalore

6. Ahmedabad
7. Calicut
8. Kolkata
9. Chennai
10. Trivendrum
11. Guwahati
12. Jaipur
13. Goa (Civil Enclave)
14. Pune (Civil Enclave)

6. Stake-holder

The Stake-holder; is defined in clause (o) of Section 2 of the AERA 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".

7. Principles of Regulatory Process

Following key principles are the cornerstones of the regulatory process:

- (a) Transparency through a Consultative Process; and
- (b) Consistency and Predictability in Regulatory Policy.

(a) Transparency through a Consultative Process

The Authority believes that a transparent and consultative process is key to enabling the stakeholders to constructively participate in the decision process. In this background, the Authority has identified following stakeholders for consultation on a regular basis:

- 1) Operators of major airports and their representative bodies;
- 2) Other providers of aeronautical services;
- 3) Indian registered airlines and their representative bodies;
- 4) International Airlines represented through International Air Transport Association (IATA);
- 5) Central Government (in the Ministry of Civil Aviation and the Department of Expenditure);
- 6) Governments of the States where major airports are located;
- 7) Apex Chambers of Commerce & Industry:
 - (a) Federation of Indian Chambers of Commerce & Industry (FICCI).
 - (b) Associated Chambers of Commerce & Industry (ASSOCHAM).
 - (c) Confederation of Indian Industry (CII).
 - (d) Federation of Indian Export Organization (FIEO).

8) Voluntary Consumer Organizations:

- (a) VOICE (Voluntary Organization in Interest of Consumer Education)
 - (b) CUTS (Consumer Unity & Trust Society)
 - (c) CERC (Consumer Education and Research Centre)
- 9) Local Chambers of Commerce & Industry, organisations representing CHAs, freight forwarders & other cargo facility users.

(b) Consistency and Predictability in Regulatory Policy

The Authority recognises the need for regulation to be consistent and predictable, in order to minimise perception of regulatory risk.

8. Appeals

8.1 As provided in the Act, Central Government has by notification No. G.S.R 59(E) dated 4th February, 2010 in the Official Gazette, established an Appellate Tribunal known as the Airports Economic Regulatory Authority Appellate Tribunal

a) to adjudicate any dispute:

- (i) between two or more service providers;
- (ii) between a service provider and a group of consumer.

b) to hear and dispose of appeal against any direction, decision or order of the Authority under the Act.

8.2 Appellate Tribunal has been established and consists of a Chairperson and two Members, whose profiles can be seen in our website.

9. Head of Department

As per Section 7 of the Act, the Chairperson has been given powers of general superintendence and directions in conduct of the affairs of the Authority. In addition to presiding over the meetings of the Authority, Chairperson exercises and discharges such powers and functions of the Authority and discharges such other powers and functions as may be prescribed. The Secretary appointed by the Central Government, under Section 9(1), assists the Chairperson and the Authority in discharge of its functions.

10. Citizen Interface and expectations from clients

10.1 Every proposal relating to discharge of statutory functions of the Authority is placed for stakeholders consultation through appropriate Consultations Papers. The Consultation Papers are uploaded on the website inviting views of stakeholders within the stipulated period.

10.2 The Authority expects the stakeholders to submit evidence based feedback, comments and suggestions. In appropriate cases, the Authority also holds stakeholders consultations meetings to elicit the views of stakeholders in person.

10.3 All regulatory decisions of the Authority are fully documented, explained and uploaded on the website.

11. Public Grievances redressal mechanism

Dr. Reena Sethi, Deputy Chief is the Nodal Officer for monitoring public grievances cases in respect of the Authority under the Centralized Public Grievances Redress and Monitoring System (CPGRAMS). The grievances can be lodged at <http://pgportal.gov.in>.

12. Availability of Information

12.1 The Authority endeavours to disseminate all relevant information in compliance of the provisions of Right to Information Act, 2005. Relevant Acts, Rules, Regulations, Guidelines, Orders, Circulars, Public Notices, Consultation Papers can be accessed on the Authority's website www.era.gov.in.

12.2 The names and other requisite details regarding PIO and Appellate Authority are given below:

Public Information Officer

Ms. Nivedita Dubey, DGM

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Transparency Officer

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Appellate Authority

Shri Sandeep Prakash, Secretary,

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Contact Officers

Shri. Yashwant S Bhave, Chairperson

Shri. M. P. VijayaKumar, Member

Shri Sandeep Prakash, Secretary

Address:

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Email : **feedback@aera.gov.in**

13. Feedback/Suggestions from Users

13.1 Issues/proposals under consideration of the Authority are regularly uploaded on the website. Feedback/suggestions are duly considered before finalising the matter.

13.2 Stakeholder consultations are held as per '**[Guidelines on Stakeholder Consultation](#)**' which are available on the website **www.aera.gov.in**. The information held by AERA in the electronic form is also available on its website.

13.3 Feedback can also be sent at **contact@aera.gov.in** or **feedback@aera.gov.in**

14. Our Website

<http://www.aera.gov.in>