



Airports Economic Regulatory Authority of India (Amendment) Bill, 2018- Amendments

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Highlights

- India has emerged as the third largest domestic aviation market in the world.
- The Airports Economic Regulatory Authority of India Act, 2008, was enacted to provide an independent authority to protect the interests of airports, airlines and passengers, and to primarily regulate tariff for aeronautical services rendered at airport which include navigation, surveillance and supportive communication for air traffic management; services for the landing, housing or parking of an aircraft; ground safety, fuel and handling services.
- Exponential growth in the sector has pushed the government to propose an Amendment Bill in 2018.
- Many airports come under the purview of the Authority making it difficult to efficiently determine the tariffs and monitor the service standards of major airports.
- For encouraging PUBLIC-PRIVATE PARTNERSHIP in infrastructure projects, several business models like predetermined tariff or tariff-based bidding have come into place.
- In this model, the government has found that the market itself determines the charges. The regulator is not required to fix charges after the award of the project. The 2008 Act does not cover such complexities.
- Thus, the Airports Economic Regulatory Authority of India (Amendment) Bill, 2018, proposes to first amend the definition of “major airport” as any airport with passengers in excess of 3.5 million from the existing 1.5 million.
- The AERA Bill, importantly, seeks to update Section 13 of the 2008 Act in tune with the current business models and tariff system. Section 13 is an umbrella provision in the Act which further covers capital expenditure incurred and timely investment in improvement of airport facilities; the service provided, its quality and other relevant factors; cost for improving efficiency; and economic and viable operation of major airports.

Additional information:

- The Airports Economic Regulatory Authority of India (Amendment) Bill, 2018 was introduced in Lok Sabha in 2018
- It amends the Airports Economic Regulatory Authority of India Act, 2008. The Act established the Airports Economic Regulatory Authority of India (AERA).
- The AERA regulates tariffs and other charges for aeronautical services provided at civilian airports with annual traffic above 15 lakh passengers.
- It also monitors the performance standard of services across these airports.

Source: [The Hindu](#)



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