

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2391  
ANSWERED ON:23.07.2004  
NARESH CHANDRA COMMITTEE  
Ramadass Prof. M

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether Naresh Chandra Committee on Civil Aviation has submitted its complete report to the Government;
- (b) if so, the main recommendations of the Committee; and
- (c) the status of implementation of these recommendations?

**Answer**

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

- (a): The Naresh Chandra Committee has submitted Part-I of its report. Part-II of the report is awaited.
- (b) and (c):- Main recommendations and status of implementation is given at Annexure.

Annexure

Main Recommendations and status of implementation of Naresh Chandra Committee Report

1. The main recommendations of the committee are as follows:

- (i) Lowering system costs by introducing liberal fiscal regime, allowing airlines to source ATF from supplier of choice and improving coordination with other ministries.
- (ii) Encourage private participation and competition in air transport services with a view to lowering fares.
- (iii) Establishment of an Essential Air Services Fund (EASF) to provide subsidy for uneconomic services to do away with Route Dispersal Guidelines.
- (iv) Reduce airport charges
- (v) In addition to DGCA, BCAS, Establish Aviation Economic Regulatory Authority (AERA) to deal with monopoly situation,
- (vi) Allow domestic private airlines to operate international services and third party ground handling services.
- (vii) Restructuring of IA/AI/PDDL
- (viii) Lower entry barriers for airlines
- (ix) Raise FDI limit in domestic scheduled airlines from 40 to 49%.
- (x) Allow foreign airlines FDI
- (xi) Liberalise international air transport segment
- (xii) Liberalise international air charters
- (xiii) Encourage regional air services

(xiv) Expedite privatisation of Mumbai and Delhi airports.

(xv) Privatisise other airports as well

(xvi) Separation of ATC from AAI and vesting ATC functions to government owned corporation.

2. The first part of the report is being examined by the Government. The second part of the report is awaited.