

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1592
ANSWERED ON:18.11.2010
AIRPORTS ECONOMIC REGULATORY AUTHORITY
Rao Shri Nama Nageswara

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has set up an Airports Economic Regulatory Authority (AERA) for the regulation of the Civil Aviation sector;
- (b) if so, the salient functions and powers of the AERA.
- (c) whether AERA has the powers to fix the air tariff and other user development charges;
- (d) if so, the details thereof; and
- (e) the criteria and norms followed by AERA while fixing the user development charges?

Answer

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

- (a) Yes, Madam. An Airports Economic Regulatory Authority has been established under the Airports Economic Regulatory Authority of India Act, 2008 to regulate tariff and other charges for the major airports and the air navigation services in the country.
- (b) AERA is required to perform, mainly, following functions and exercise powers in respect of major airports:
 - (i) To determine tariff for the aeronautical services;
 - (ii) To determine the rate of Development Fee including the User Development Fee;
 - (iii) To determine the rate of Passenger Service Fee; and
 - (iv) To monitor the set performance standards.
- (c) & (d) AERA has powers to fix the rate of User Development Fee in terms of section 13 (1) (b) of the AERA Act, 2008 read with rule 89 of the Aircraft Rules, 1937. However, AERA has no powers to fix the air tariff charged by the airlines.
- (e) The Authority considers the User Development Fee as a revenue enhancing measure so as to allow the airport operator to obtain a fair return on the investment made.