

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3245
ANSWERED ON:16.03.2011
ZERO COMMISSION PRACTICE
Rao Shri Sambasiva Rayapati

Will the Minister of CIVIL AVIATION be pleased to state:

(a): whether the Directorate General of Civil Aviation (DGCA) has termed the zero commission practice followed by international airlines as illegal;

(b): if so, the details thereof and the reasons therefor;and

(c): the reaction received by the Government from concerned parties, people and other countries also in this regard?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI)

(a),(b) and (c): The Director General of Civil Aviation (DGCA) has passed an Order indicating that, as per rules, DGCA cannot lay down the quantum of commission payable by airlines to agents. It is entirely upto the airlines to take a decision in this regard in consultation with their agents, taking into account various commercial factors negotiated such as the market conditions, the cost of Agents` establishments, etc. and the statutory definition of `tariff`. The matter is presently sub judice.