

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:166

ANSWERED ON:05.12.2012

IMPLEMENTATION OF GROUND HANDLING POLICY

Adhalrao Patil Shri Shivaji; Dharmshi Shri Babar Gajanan

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government is aware of the concerns shown by various airlines about the implementation of the Ground Handling Policy proposed in 2007;
- (b) if so, the details thereof and the response of the Government thereto;
- (c) whether the implementation of the said policy would increase the cost of ground handling and if so, whether the Government has discussed the issues with the representatives of various airlines;
- (d) if so, the details and the outcome thereof; and
- (e) the steps taken by the Government to settle the issues without further delay?

Answer

Minister of CIVIL AVIATION (SHRI AJIT SINGH)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO PART (a) TO (e) OF THE LOK SABHA () STARRED QUESTION NO.166 FOR 05.12.2012 REGARDING IMPLEMENTATION OF GROUND HANDLING POLICY.

(a) & (b) : Yes Madam. The Cabinet Committee on Security, in the year 2007, had reviewed the Ground Handling Policy taking into account issues relating to security, aviation safety, achieving world class ground handling services etc. and approved the new Ground Handling Policy. The Policy was amended in 2010 after consultations with the airline operators.

The airlines expressed the concern that divesting them from ground handling activities would completely curtail the scope of extending personalised services by them to their customers and hence they should be allowed to do the ground handling on the terminal side. The request of airlines was considered and they were permitted to do self-handling on terminal side. However, the Ground Handling Policy was challenged by the Federation of Indian Airlines & others in the High Court of Delhi in November, 2010. The Court dismissed the Writ Petition on 04.03.2011 and upheld the Policy. Thereafter, an SLP Civil 7764 of 2011 was filed in the Supreme Court of India challenging the Delhi High Court order. The Supreme Court passed an interim Order on 05.05.2011 that status quo as on date, to continue till the next hearing of the case. When the case came up for hearing on 9.10.2012, the Supreme Court observed that: 'The parties may sit together and resolve, if possible.'

Accordingly, a meeting was held on 25th October, 2012 to discuss the issue with airline operators and the position was clarified to them. A Committee has also been formed for addressing the issues. The matter is sub-judice.

(c), (d) & (e) : The issues of cost was discussed with the representatives of various airlines and the position was clarified to them that charges for ground handling are going to be determined by Airport Economic Regulatory Authority following a transparent process and after consultation with the stakeholders. It has also been clarified to the airlines that the airline operators may incorporate their own ground handling entities. Such entities can participate in the bidding for appointment/selection of Ground Handling Service Providers (GHSP).