

Bill Summary

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

- The Airports Economic Regulatory Authority of India (Amendment) Bill, 2018 was introduced in Lok Sabha on July 18, 2018 by the Minister of State for Civil Aviation, Mr. Jayant Sinha. 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.
- **Definition of major airports:** The Act defines a major airport as one with annual passenger traffic over 15 lakh, or any other airports as notified by the central government. The Bill increases the threshold of annual passenger traffic for major airports to over 35 lakh.
- **Tariff determination by AERA:** Under the Act, the AERA is responsible for determining: (i) the tariff for aeronautical services at different airports every five years, (ii) the development fees of major airports, and (iii) the passengers service fee. It can also call for necessary information to determine tariffs and perform any other tariff-related functions, including amending the tariffs if necessary in the interim periods.
- The Bill provides that the AERA will not determine: (i) the tariff, (ii) tariff structures, or (iii) the development fees, in certain cases. These cases will include those where such tariff amounts were a part of the bid document on the basis of which the airport operations were awarded. The AERA will be consulted before incorporating such tariffs in the bid document, and such tariffs must be notified.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.