

(c) whether Government would take cabinet nod in such cases where promoters have failed to run their airlines and forced to sell their stake fully to others; and

(d) if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH): (a) and (b) Yes Sir. The promoter of Deccan Airlines has applied for scheduled carriers under name "Deccan Charters Limited". The proposal of the company is under examination of the Ministry.

(c) and (d) No, Sir. Hon'ble Minister of Civil Aviation is competent to take final decision on proposals pertaining to commencement of scheduled operator services.

Purpose to form Civil Aviation Authority (CAA)

3740.DR. K.V.P. RAMACHANDRA RAO: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government proposes to form a Civil Aviation Authority (CAA);

(b) if so, the details of the proposal;

(c) by when it is likely to be formed; and

(d) what are the major objectives?

THE MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH): (a) Yes, Sir.

(b) to (d) The proposal to form a Civil Aviation Authority (CAA) in place of DGCA is at formative stage. It is proposed to have a CAA, which will have adequate financial and administrative flexibility to meet functional requirements for an effective safety oversight system. In addition, it is also proposed to assign additional functions relating to certain economic regulations, consumer protection and environment regulation.

The CAA is proposed to be set up through a separate Act. However, the present legal framework such as Aircraft Act 1934 etc. will continue to govern the aviation sector. The objective of the proposed CAA is to overcome the constraints presently faced by DGCA in terms of recruitment and retention of technical manpower and inability to quickly address ongoing operational issues due to lack of adequate administrative and financial authority.