

Compensation to Air India

3907. DR. PRABHAKAR KORE: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Boeing Aircraft company is liable to pay compensation to Air India to offset the loss in revenue due to grounding of the Dreamliner for safety reasons;

(b) whether Boeing has also agreed to pay compensation to Air India for undue delay in the delivery of Dreamliner; and

(c) if so, the amount of compensation and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI K.C. VENUGOPAL): (a) In line with the standard warranty terms offered by all the aircraft manufacturers, there is a clause in the Warranty which specifies that Boeing will not be liable for any consequential or other damages due loss of use, revenue or profit due to any fault in the aircraft. However, at the time of signing the Purchase Agreement, the situation of grounding of the entire fleet of newly acquired aircrafts (B787) and that too for a prolonged period was not foreseen or taken into account. Therefore, this situation needs to be dealt separately outside the purview of the Purchase Agreement. The issue of compensation for the loss incurred by Air India due to grounding of B787 aircraft has already been taken up with M/s Boeing.

(b) and (c) Yes, Sir. However, as per the Purchase Agreement signed between Air India and Boeing, the quantum of compensation cannot be disclosed.

FDI proposal of some foreign airlines

3908. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that FDI proposal of some foreign airlines has been cleared by the Government without the necessary NOC from the Directorate General of Civil Aviation (DGCA);

(b) if so, the reasons for the lapse while giving the FDI proposal;

(c) whether DGCA would consider lack of airport infrastructure in India and losses of foreign airlines before granting licence or NOC to foreign airlines; and