

Operating costs of Indian carriers

1381. SHRIMATI WANSUK SYIEM: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the recent study report of the operating costs of Indian carriers done by the Centre for Asia Pacific Aviation (CAPA) has found that the cash balance of most of the Indian carriers has reached dangerous levels due to frequent fare wars;

(b) whether the Indian carriers at present would require fresh funding of more than ₹ 9800 crores for working capital requirements;

(c) whether according to CAPA projection for 2014-15, the domestic airline industry in India is likely to report a combined net loss of ₹ 8600 crores; and

(d) if so, what are Government's comments thereon?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G.M. SIDDESHWARA): (a) to (d) Centre for Asia Pacific Aviation (CAPA) is the provider of independent aviation market intelligence, analysis and data services etc. and not a Government department. The details of profit and loss of public and private airline operators in India over the last four years *i.e.* 2009-10, 2010-11, 2011-12 and 2012-2013 is given in the Statement.

The Government has taken several measures like [Refer to the Statement appended to the answer to USQ No. 1369 Part (a) and (b)] persuading State Governments to reduce VAT on ATF, allowing direct import of Aviation Turbine Fuel by Indian Carriers as actual users, permitting foreign airlines to participate upto 49 percent in the equity of scheduled air transport undertaking, allowing ECB for working capital requirement of airline industry for a period of one year subject to a total ceiling of US \$1 billion and tax concession for parts of aircraft and testing equipment for third party maintenance, repair and overhaul of civil aircraft.

Tender norms at Delhi and Mumbai airports

1382. SHRI M.P. ACHUTHAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether any norms and specific provisions have been fixed for tendering by Delhi and Mumbai airports in line with Operation, Management and Development Agreement (OMDA);

(b) if so, the details thereof;

(c) whether the Central Vigilance Commission (CVC) guidelines in this regard are being followed by Delhi and Mumbai airports; and

(d) if so, the details thereof along with the details of tenders for Duty Free at Mumbai following CVC guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G.M. SIDDESHWARA): (a) and (b) Yes, Sir. The Operation, Management and Development Agreement (OMDA) has specific provisions for tendering of the Airport Services by M/s Delhi International Airport Pvt. Ltd. (DIAL) and M/s Mumbai International Airport Pvt. Ltd. (MIAL). Clause 8.5.7 of OMDA prescribes that any activity may be sub-contracted by these DIAL and MIAL, provided always that notwithstanding the sub-contract, they retain overall management, responsibility, obligation and liability in relation to the sub-contracted Airport Service. DIAL and MIAL are also required to follow competitive bidding process in the field of public works concessions and for every contract whose value exceeds ₹ Fifty Crores Only. All tendering is done by them in compliance with the norms set out in OMDA.

(c) DIAL and MIAL are private companies and the guidelines of Central Vigilance Commission (CVC) are not applicable to them.

(d) Does not arise.

Establishment of civil aviation authority

1383. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government will establish an autonomous body such as Civil Aviation Authority which will function as a regulator and facilitator for the development and growth of the industry;

(b) if not, the reasons therefor;

(c) whether it is a fact that due to absence of such body, the Directorate General of Civil Aviation (DGCA) has been downgraded to category 2 status by US Federal Aviation Administration (FAA) along with Bangladesh and Ghana etc.; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G.M. SIDDESHWARA): (a) and (b) Yes, Sir. There is a proposal to form a Civil Aviation Authority (CAA) of India in place of Directorate General of Civil Aviation for