

Airports Economic Regulatory Authority of India

June 3, 2020

Why was it in the news?

- Recently, the Airports Economic Regulatory Authority of India (Amendment) Bill, 2019 was introduced in Rajya Sabha.
- It amends the Airports Economic Regulatory Authority of India Act, 2008. The Act established the Airports Economic Regulatory Authority of India (AERA).

AERA is responsible for determining:

(i) The tariff for aeronautical services at different airports every five years

(ii) The development fees of major airports

(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.

Key provisions

- Definition of major airports → annual traffic of more than 35 lakh passengers (currently, 15 lakh)
- AERA shall not determine: (i) the tariff, (ii) tariff structures, or (iii) the development fees, in certain cases. These cases include those where such tariff amounts were a part of the bid document on the basis of which the airport operations were awarded.
- AERA will be consulted by the concessioning authority before incorporating such tariffs in the bid document,

and such tariffs must be notified.