

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1730
(To be answered on the 29th July 2021)**

MODEL OF AIRPORT FEES

1730. **DR. A CHELLA KUMAR
SHRI M. SELVARAJ**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether "per passenger fee" model instead of "Gross revenue model" has been adopted despite NITI Aayog's recommendation in its appraisal note for Public Private Partnerships Appraisal Committee (PPPAC) and if so, the reasons therefor;
- (b) the criteria for determining projects under 'limited time' or 'special case' category, including technical, legal, contractual requirements and the details of the evaluating authority;
- (c) the reasons for change of lease period from 30 years to 50 years and the details of the recommending authority and approving for such change;
- (d) whether any consultations were held prior to giving effect to such change; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

(a): The Union Cabinet in its meeting held on 8th November, 2018 accorded 'In Principle approval' for leasing of six airports namely Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru for Operations, Management and Development under Public Private Partnership (PPP). The Union Cabinet also approved constitution of an Empowered Group of Secretaries (EGoS) headed by CEO, NITI Aayog to decide on any issue falling beyond the scope of Public Private Partnership Appraisal committee (PPPAC).

The terms and conditions including timeline for single stage bid process for the transaction of PPP were decided by the Empowered Group of Secretaries (EGoS) chaired by CEO, NITI Aayog which inter-alia comprised Secretaries of Ministry of Finance (Department of Economic Affairs, and Department of Expenditure) also. The NITI Aayog was part of the decision making process and EGoS finalized the contours of the bidding process for PPP of six airports. In order to ensure more competition and to give more flexibility to bidders, Per Passenger Fee as bidding parameter instead of revenue sharing among other conditions was stipulated.

The decision of EGoS was considered and after detailed deliberation on relevant issues, PPPAC recommended the proposal which was then approved by the Minister of Civil Aviation.

(b): As per Minutes of the Meeting of PPPAC, the PPPAC agreed to consider the proposal in the limited time considering the nature of the project, tight time table which Ministry of Civil Aviation was pursuing in this case and as decided in the meeting of EGoS. However, the quality and rigour of the examination was not at all compromised.

(c) to (e): The EGoS had also deliberated on the issue of length of the concession period and it was decided that 50 year Concession period would be adequate with no extension provision keeping in view the cityside land development which need considerable concession period to recover the investment. This decision of EGoS was part of the PPPAC recommendations for approval by the Minister of Civil Aviation.
