

**MINUTES OF THE MEETING OF THE CONSULTATIVE COMMITTEE FOR THE
MINISTRY OF CIVIL AVIATION ON 27.07.2017 AT 6.30 HRS. AT PARLIAMENT
HOUSE ANNEXE.**

**Shri Ashok Gajapati Raju Pusapati, Hon'ble Minister of Civil Aviation –
Chairman**

Shri Jayant Sinha, Hon'ble Minister of State- Deputy Chairman

Members of Lok Sabha

1. Shri Vinayak Bhaurao Raut
2. Shri S. Rajendran
3. Shri A.P. Jithender Reddy
4. Shri Jitendra Chaudhury
5. Shri P.K. Kunhalikutty
6. Shrimati Poonamben Hematbhai Maadam

Members of Rajya Sabha

7. Shri Praful Patel
8. Shri A. Vijay Kumar
9. Shri Suresh Gopi
10. Shri Om Prakash Mathur

2. The list of Officers of the Ministry of Civil Aviation and its organizations, who attended the meeting is at annexure-A.

3. The Chairman welcomed the Members and outlined the agenda of the meeting and requested the Members for their valued comments/suggestions on civil aviation security.

4. After a round of introduction, Shri Kumar Rajesh Chandra, DG (BCAS), made a presentation on "Civil Aviation Security (including steps taken by BCAS)".

5. Initiating the discussion, Deputy Chairman stated that economy of any country is vulnerable if someone attacks aviation network. He suggested that unified security architecture of all the airports in the country should be made for "Civil Aviation Security". He mentioned that terrorists can attack any airport by impersonating as any individual. To deal with this, government is currently thinking of "Digital Identification" at the airports. By linking the PNR of a passenger with other digital identification like Aadhar Number, this would improve security to a great extent. Furthermore, he said that government is thinking of comprehensive surveillance around the perimeter of all airports through "Watch Towers" and improving the "Intrusion System" to prevent any attacks in future.

Chairman- The Chairman added that the airports require vigilance and discipline. Security has to be meaningful, it should neither be oppressive nor obtrusive so that the economic activity does not suffer, a right balance is needed while upgrading security. Hon'ble Members may guide the Ministry in this regard to prepare an SOP that shall be revised and upgraded constantly.

5.1 Shri Praful Patel

(i) The Hon'ble Member emphasized, Security is an important aspect of aviation and he acknowledged the role played by BCAS and CISF and other agencies involved.

(ii) The Hon'ble Member highlighted that new challenge to Aviation Security are emerging and he gave example of cybercrimes becoming a daily feature. He gave another example of Air India which was recently hacked. He informed the members that challenges include information availability on real time basis about aircrafts flying at various altitudes from any airport. These new security challenges require not only an upgraded security infrastructure but also qualified manpower for BCAS.

(iii) The Hon'ble Member raised the issue of security hazard posed by slums on the periphery of Mumbai Airport and said that no technology

in the world can physically monitor thousands of slums which are right on the periphery of the airport. Periphery of an airport which may be more than 8-10 km to 15 km for big airports like Mumbai or Delhi. He suggested developing a new manual/SOP to expand security beyond the perimeter of the airport to tackle these challenges.

(iv) The Hon'ble Member pointed out that Government of Maharashtra has SRA (Slum Rehabilitation Authority) policy to regularize slums. According to the latest order, slums up to year 2000 have been regularized. He further informed that the owners of slums are demanding money for vacation of these buildings. Ownership has also changed hands over the years.

The Hon'ble Member drew the attention towards the situation in Mumbai where 18000-19000 homes are ready in Kurla. He stated that although the State Government had agreed to a scheme under the SRA for shifting of the slums from the airport land but it has remained unimplemented. He requested the Ministry to take up the matter with the State Government on urgent basis and not as a routine exercise to avoid compromising the security of the airport.

Secretary(CA) opined that this problem can only be solved with the help of State Government and a meeting was conducted recently with the current State Government. The State Government has assured that 19000 flats in Kurla will be given to these slum dwellers. Secondly, people were resisting survey and now with the help of State government, survey work has also been started. Secretary (CA) added that the decision regarding rehabilitation of slum dwellers, the State Government will have to decide whether rehabilitation will be done for all the person living there or for only those who have been living there before year 2005. He brought up the issue of doing rehabilitation 'in-situ' or 'ex-situ'.

The Hon'ble Member said that it would not be possible to do it 'in-situ' because land is needed for it. He suggested MoCA to take up this matter and clear it immediately with State Government.

(v) The Hon'ble Member suggested MoCA must adopt the best practices available across the world for civil aviation security, incorporating various audit findings as well as ICAO guidelines.

(vi) He further pointed out that most of the airports are unmanned at the moment without even basic security. Charter flights can land and take-off from any airstrip without going through any security check. It is possible to fill up fuel even in one's home airport, come and land back in Delhi and exit the airport and even leave the cargo on the tarmac only.

(vii) He brought up the issue of "Action Taken Report" on the minutes of the last meeting held at Tirupati and observed that the answers are routine, some satisfactory and some are not. He requested Secretary (CA) to look into this aspect and make the replies a little bit more meaningful.

(viii) The Hon'ble Member dwelt at length to discuss the issue regarding privatization of Air India and commented that Air India should have been privatized in 2004. But because it was not a simple exercise and involved complexities therefore the decision was deferred.

(ix) The Hon'ble Member remarked that while selling Air India, choices of the buyers will be interested in buying Air India in bits. This will not be as per the expectations of the Government. RFI and RFP would have two different set of parties. Some parties would like to take only international operations and the others only domestic operations etc., so bundling and unbundling of assets into multiple bundles should be taken into consideration. Government may adopt a flexible approach while tailoring the deal to the requirements of disinvestment.

(x) He commented that merger of Air India had gone through multiple layers of discussions by various Committees of Secretaries. This was also considered by Group of Ministers (GOM) in which Shri Pranav Mukherjee, Shri Chidambaram, Shri Antony, Shri Montek, Shri Kamal Nath and other dozen Ministers were there and even the Prime Minister had seen some presentations for disinvestment of Air India.

(xi) He appreciated CMD, Air India for writing a letter to the employees motivating them, boosting their morale as there are going to be a lot of union issues. He suggested that Ministry must take this forward by not having one considered view but may act as the situation demands. He reiterated that there will be too many interested parties at RFI stage, but less parties at the RFP stage.

(xii) The Hon'ble Member observed that the geo-politics of the world has to be kept in mind. The CCS while disinvesting will have to consider many things because the matter of unbundling or selling an airline to some other entity, may affect the geo-politics of the day.

(xiii) He emphasized the need to clean the balance sheet of Air India before disinvestment of Air India, since nobody is going to take an airline with a huge debt.

(xiv) He further mentioned that a lot of insinuations were made about past decisions in terms of buying of aircrafts. The Government had made a conscious decision to run the airline. He further said that Air India is in Star Alliance today only because of the merged entity. If there had been no merged entity, Air India would not have entry into the Star Alliance. He urged MoCA, to take decisions in the interest of the airline i.e. to privatize it immediately otherwise the Government will be floundering and will have to ask for Rs. 5000 crore in the budget but will end up getting Rs.3000 crores or Rs.2000 crores which will not solve the problem.

(xv) The Hon'ble Member raised the issue that the Government on several occasions had announced that Air India is making money but

that money is not reflected anywhere in their balance sheet. He has not got to see the balance sheet but he was just saying this on the basis of the announcements the Government has made. He further commented that if operating profit is there, then why the Government is worried as it can write-off one time debt for Air India and make it debt free and still run it.

(xvi) The Hon'ble Member said that the essence of the whole thing is that the Government does not wish to run an airline in the public sector but he desired to know this answer from the Government, as to what is the wisdom in selling of the airline? He repeated that he was not against privatization of Air India but wanted to know the wisdom behind its disinvestment. Especially, in light of the fact that when the Government is making money and is going to write-off the debt of Air India before selling it to a private entity, then why the same is not done for this public sector entity. He thanked the Chairman and requested him to send a note to know what the government's view on this issue.

5.2. Shri Vinayak Bhaurao Raut

(i) The Hon'ble Member said that committee presented a report on action taken by government on the precautions suggested in Pandey Committee report. He said that he was assuming in good faith that all precautions suggested in report and implementation related to them has been taken after Committee's formation in 1976. He mentioned that CISF and BCAS are two important agencies from airport security point of view. He raised attention to staff requirement in these two agencies. According to the report, BCAS has 453 posts lying vacant, which is worrisome. There has been no recruitment for security officers and liaison officers. He questioned the future of security at airports when there are no security officers and security liaison officers working, in spite of having sanctioned strength of 20 and 46 respectively. He said that recently there have been news of smuggling gold biscuits as mobile batteries and no officers are posted at such important posts to check such practices. He pointed out that despite Government's approval of

these posts in September 2015, 453 posts are still lying vacant even after 2 years.

(ii) The Hon'ble Member said that he doesn't believe that the government is ready for passenger and aircraft security despite taking precautions as per the Pandey Committee report. Till date, 51 airports have been inducted with CISF, which were earlier under the control of local police. He was unable to comprehend why Mizoram is not willing to induct CISF at Lingpuri Airport according to report submitted. He asked that if Mizoram doesn't employ CISF then what kind of security agency is engaged there.

(iii) He stated that he had seen pigs and deer roaming at Nagpur airport. He suggested technical manpower for airport security must be filled immediately.

(iv) He questioned that why no attention has been given to security of outside periphery of Mumbai airport's eastern side, which has slums and they are a danger to airport safety. He questioned why Mumbai Airport Authority has not implemented slum rehabilitation program, when 18000 houses were ready to shift under the tripartite agreement.

(v) Second issue of worry, is that that 70 buildings in the surrounding areas of Mumbai Airport, have got notice of demolition of upper floor of buildings above 6 metres. He raised the issue that these buildings were built 20 years ago and were given permission from Ministry of Civil Aviation and Mumbai Corporation. Now these buildings are being asked to demolish upper floors as they are coming in way of runway approach. He said that those people who have their houses/flats in authorized buildings, were built/approved after getting permission from Civil Aviation Department and are taxpayers. In case, their houses are demolished then rehabilitation of such people should also be the responsibility of Government.

(vi) The Hon'ble Chairman replied that heights of building are restricted for safety according to color coding mapping of the area as

per mathematical calculations. Secretary (CA) clarified that there is a court case going on in Mumbai High court. In the PIL, the issue has been raised, regarding presence of many illegal buildings around the airport and the building owners have been asked to show proof of permission for construction. These 70 such buildings are those who either didn't have permission or have constructed higher than the authorized height. There is no intention to trouble the builders and Government is ready to take matter forward, if builders can show proof of permission granted by MoCA.

(vii) The Hon'ble Member thanked Hon'ble Chairman and Secretary (CA) for the clarification. He raised the issue of PIL filed by an Ahmedabad-resident, Shri Vishwas Bamboorkar. The PIL was against norms of height being violated by parking building which is within 4 km of Mumbai Airport. He informed that Civil Aviation Authorities via RTI had informed him that the parking building height was illegal, and this matter should be taken care of.

(viii) He pointed out that there are 4-storey slums present on both the sides i.e. eastern and western side of Mumbai Airport and it must be given due attention, as it is a serious matter. He requested implementation of slum rehabilitation program, as speedily as possible. The Hon'ble member requested to remove 1000-2000 slums which have crossed into eastern side of Mumbai Airport. The Hon'ble Member Shri Praful Patel also raised the same issue on slums. Secretary (CA) replied that decision on these slums has been taken by State Government on priority. He informed that both the initiative and implementation was to be done by the Central Government. Hon'ble Member stated that people residing there also want to shift and 90 % survey has been completed with the co-operation of State Government, personal attention is required in handling this issue. He requested Secretary (CA) to visit Mumbai Airport and take up this matter seriously.

(ix) He further suggested that Air India is pride of nation and should not be sold. Air India should also accept the challenge of further improvement. He cited example of Shri Gopinath Munde, who used to take the challenge of running loss-making/closed sugar factories and turning them into profit-making entities within 2 years. He said that even Air India can do this.

(x) Finally, he asked information about the two airports in his constituency namely Ratnagiri and Sindhudurga. He requested that these two airports may be completed by 2018. Secretary (CA) informed that Ratnagiri was almost ready and Sindhudurga will take some time.

5.3. Shri Vijay Kumar

(i) The Hon'ble Member requested Hon'ble Chairman that for security reasons, all the State Governments must get mandatory NOC from the Airports Authority, for approval of construction of the buildings around the airports. The Hon'ble Chairman, replied that there is color coding according to which local bodies of State Government can approve the construction of buildings. Secondly the Member also informed that Indigo and Spice-jet flights are doing short cut on the runways for time saving, which is not in interest of safety and passengers are also facing a lot of problems because of this. Secretary (CA) ensured that he will check the matter.

(ii) The Hon'ble Member mentioned that some airports, under the UDAN scheme are located 200-300 kms apart. Due to time taken for security checks, it takes same amount of time for a passenger to travel from one place to another by a car or by flight. He suggested that security check time may be reduced for boarding the flights. He gave the example of Mysore-Bengaluru route where it takes the same time to travel by road and by air.

(iii) The Hon'ble Member suggested not to sell Air India as it has "India" in its name. He mentioned that he has no problem if name is changed and then it is sold.

- (iv) The Hon'ble Member mentioned that AISAT is doing the ground handling in metro cities for Air India. He questioned that how AISAT is doing ground handling in Trivandrum when it is not a metro city. Secretary (CA) ensured that he will verify this and inform the status.
- (v) The Hon'ble Member mentioned that Air India Transport services was earning nearly Rs. 600-700 crores per annum before privatization, in 2010. He questioned why this service, which was giving profit to Air India was privatized. Secretary(CA) replied that AITSL is 100 percent, a subsidiary company of Air India and has not been privatized.
- (vi) The Hon'ble Member said that there was no price ceiling on flight tickets of Indigo and Spice-Jet. He suggested that there should be price slabs. Chairman replied that all airlines have dynamic pricing. To keep prices under control, there will need of additional capacity and seasonal airlines is also required. There is no simplistic solution to the problem. He mentioned that aircraft under UDAN are keeping prices in check, but they are also getting subsidy from the Government.
- (vii) The Hon'ble Member asked why flights of Spice-Jet and other airlines, other than Air India are leaving before the scheduled departure time. Chairman replied that there is prescribed time before which the passengers have to report at the airport.
- (viii) The Hon'ble Member said that Airlines do not have the right to punish passengers. Civil Aviation Authorities have to follow formalities by handing over to Police and courts give punishment. He requested to consider this issue. Hon'ble Chairman clarified that nobody has punished anybody. He mentioned that current 'Civil Aviation Requirements (CAR)' were heavily skewed against the passengers. He said to bring in a balance and new CAR is necessary as passengers can be victimized if unbounded powers are given to airlines. He informed that the exercise was going on and in next few meetings, a final decision will be taken and new Civil Aviation Requirement (CAR) will be published which will get the force of law.

5.4. Shri A.P. Jithender Reddy

(i) The Hon'ble Member thanked for opportunity and asked for forgiveness for being late. He was late due to a delay by Air India flight. He mentioned, there are a lot of delays in Air India flights, which is a serious issue. He asked Air India to improve it as other airlines like Indigo are running on time.

(ii) The Hon'ble Member stated that Air India should not be sold for inefficiency.

Deputy Chairman mentioned that there have been many Parliamentary questions regarding disinvestment of Air India. He mentioned that there are 3 important points to consider. Air India has improved a lot in many matrices like on-time performance and is generating operational profits. But Air India is paying Rs. 5000-6000 crore per year as interest for the accumulated debt of Rs. 50,000 crore. Because of this, we are finding it very difficult to make Air India competitive under Government conditions of prolonged approval process. It is difficult to run Air India as a global airline like Emirates, Lufthansa and British Airways. Secondly, Government's limited time and resources should be used in more important National priorities. Thirdly, the fragile financial position of Air India paying Rs. 5000-6000 crore as interest to service debt can be used for other welfare measures. He further said that there was no need for Government to run a sector whose 86 percent business is already taken by Indigo, Jet Airways etc. He mentioned that previous governments have been thinking about disinvestment of Air India keeping in mind the fragile financial situation of Air India.

Secretary (CA) informed the Hon'ble Member that on-time performance has improved and secondly flights are rarely getting delayed due to non-availability of cabin crew and pilots. There is a huge scope of improvement and they are committed to doing that.

(iii) Hon'ble Member asked why Ministry cannot sell or revamp Airport Authority land to pay for losses or even try to take one time

money from the Government. He said that he doesn't agree with idea that it is not the Government's business to run an airline as many PSUs are being run by Government. He said that proper planning is required and selling Air India will be hurting the common people.

(iv) The Hon'ble Member mentioned he has come to know that Hyderabad airport has been given environmental clearance for extension. He hoped for speedy completion of runways by GMR.

(v) He questioned again as to why Air India can't fly on time? Can On-time Performance not be ensured?

Deputy Chairman replied that many factors are responsible for on-time performance and all factors are not in our control. It requires deep financial resources. Air India does not have enough crew and pilots. Trained manpower is required to ensure repairing and services which require extensive funding. He mentioned Air India has not hired anyone since last 20 years. He further said that modern airways like British, Lufthansa etc. have extensive inventory and spare parts management where everything is linked to RFID and everything is barcoded. He told that such financial capabilities was not available in Air India.

(vi) The Hon'ble Member appreciated the planning of new Civil Aviation Requirements. He mentioned that in the past, all airlines had made a consortium to ban a particular person from flying which should not happen. He mentioned that an MP has to be handled like a VIP as he gets privileges. He stated that bad services from airlines aggravates the hardships of the passengers and therefore airlines cannot ban the passenger for complaining. Chairman replied that there are regulations in place which deal with timings and over-bookings in flights which are brought to the notice of the passengers who come to the counters at the last moment. These regulations are all in public domain and all airlines whether private or public sector are expected to follow it. He mentioned that if guidelines are not followed, any passenger can complain on Air-Sewa app or reach out to airlines.

5.5 Shri Jitendra Chaudhary

(i) The Hon'ble Member drew the attention towards peripheral issue of Mumbai airport and commented when 18000 houses were ready then why people were still living in slums at airport boundaries? Why the schemes have not been implemented properly?

(ii) He raised the issue regarding livelihood and said that according to one magazine, those slums are compared to Special Economic Zones (SEZs) as they are generating thousands of crores and thousands of people are employed there. He further suggested that these aspects should be considered by the Government as a whole and not only from Ministry of Civil Aviation point of view.

(iii) The Hon'ble Member strongly opposed selling of Air India and commented that pride of the whole country will be ruined due to the inefficiency of some people. He further said that Indigo and Spice-Jet belongs to India also and if they are managing then why can't Air India? Logo of Air India is 'Maharaja' but the guest should be treated as Maharaja instead. If Air India's management attitude of the 'Maharaja' is not revoked then not only Air India today but even defence will be sold out. It should not be spirit of the government entity.

(iii) He questioned what will happen to aviation sector after 20% government share if Air India is also sold out. Government must have some role and stake in it.

(iv) He further said that Government should have some role in the pricing of tickets. During festival time, prices jumps from Rs. 3000 to Rs. 8000 or more. He commented that Market driven pricing cannot be an argument. He gave example of whether Municipal Corporation of Delhi will allow three wheelers and other transport services like buses, taxis to raise prices during festive seasons. It has been said that 98% tickets are of low cost and only 2% are over-priced. But the pricing should be unlimited and the Government should not argue in the favour of market.

(v) He laid emphasis on the aspects of civil aviation security saying that there should be no compromise and there should be more devices for security. He mentioned that it was not a good thing that everything is leased to private entities when people are paying so much of taxes for building the security infrastructure.

(vi) He mentioned that Air India is a corporation or kind of business and questioned why Government is lacking the business instinct. He suggested that there should be an environment created to motivate workers. He said that Government has to improve the look of the airline and mindset of the employees.

(vi) The Hon'ble Member drew the attention towards the minutes of the last meeting as how he had requested Shri Ashwani Lohani, CMD, Air India earlier as to whether the schedule of Air India flight AI-746 can be preponed so that people of Agartala can board AI-23 which comes from Kolkata to Delhi. He further said that if AI-746 schedule is advanced, it will get more passengers. He desired to know about lack of completion of KYC of frequent flyers to credit the flying miles on Air India's website. He requested that someone should be deployed to rectify the issues regarding KYC and uploading of flying miles must be resolved immediately.

Chairman: The Hon'ble Minister of Civil Aviation and Chairman of the Consultative Committee for the Ministry of Civil Aviation thanked all the Hon'ble Members for taking out valuable time from the on-going Parliament session and giving valuable views and suggestions for the betterment of Civil Aviation Sector.

5. The meeting ended with vote of thanks to the Chair.

Annexure-A

List of officers who attended the meeting of the Consultative Committee for the Ministry of Civil Aviation on 27.7.2017 at 6.30 hrs. at Parliament House Annexe.

Ministry of Civil Aviation

- 1 Shri Rajiv Nayan Choubey, Secretary (CA)
- 2 Dr. Renu Singh Parmar, Senior Advisor
- 3 Shri Arun Kumar, Joint Secretary
- 4 Ms. Usha Padhee, Joint Secretary
- 5 Ms. Gargi Kaul, JS & FA
- 6 Shri Satyendra Kumar Mishra, Joint Secretary
- 7 Ms. Vandana Aggarwal, Economic Advisor
- 8 Dr. Shefali Juneja, Director (Parl.)
9. Shri Suyash Narain, Director

Office of Hon'ble Minister of Civil Aviation

- 1 Shri V. Appa Rao, OSD to HMCA

Office of Hon'ble Minister of State

1. Shri Akhilesh Tilotia, OSD to HMOS(CA)

DGCA

- 1 Shri B.S. Bhullar, DG
- 2 Shri Lalit Gupta, Joint DG

Bureau of Civil Aviation Security (BCAS)

1. Shri Kumar Rajesh Chandra, DG
2. Shri Jyoti Narayan, Joint DG

Airports Authority of India

1. Dr. Guruprasad Mohapatra, Chairman, AAI

CRS

1. Shri S. Nayak, CCRS
2. Shri Rajiv Kumar, Dy. CRS

Air India

1. Shri Ashwani Lohani, CMD, Air India
2. Shri S. Venkat, Advisor (Finance)

Pawan Hans Limited

1. Dr. B.P. Sharma, CMD
2. Shri Sanjeev Aggarwal, GM, PHL

Aircrafts Accidents Investigation Bureau (AAIB)

1. Shri Bir Singh Rai, Joint DG

IGRUA

1. Air Marshal (Retd.), V.K. Verma, Director

RGNAU

1. AVM Nalin Tandon, Vice Chancellor

CISF

1. Shri O.P. Singh, DG, CISF
2. Shri Dharmendra Kumar, Addl. DG (Airport Sector)
3. Shri M.A. Ganapathy, Addl. DG (Airport Sector)