

Telephone No. : 011-24622495 Aeronautical : VIDYAYX E-Mail: dri@dgca.delhi.nic.in Fax 011-24616783	GOVERNMENT OF INDIA AERONAUTICAL INFORMATION SERVICES DIRECTOR GENERAL OF CIVIL AVIATION OPPOSITE SAFDARJUNG AIRPORT NEW DELHI-110003	AIC <hr/> Sl. No. 03/2017 <hr/> 15 th March, 2017
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The guidelines for grant of permission to operate scheduled international air transport services by the Indian Air Transport Undertakings are issued for information and guidance.

This AIC shall supercede AIC 08/2016 dated 24th August, 2016.



(B.S. BHULLAR)
 Director General of Civil Aviation

**GUIDELINES FOR GRANT OF PERMISSION TO INDIAN AIR TRANSPORT
 UNDERTAKINGS FOR OPERATION OF SCHEDULED INTERNATIONAL AIR
 TRANSPORT SERVICES.**

1. Introduction

- 1.1 Rule 134 of the Aircraft Rules, 1937 provides that no person shall operate any scheduled air transport service from, to, in, or across India except with the permission of the Central Government, granted under and in accordance with and subject to the provisions contained in Schedule XI. This power has been delegated to the DGCA.
- 1.2 In accordance with Schedule XI to the said Rules, the Director General of Civil Aviation (DGCA) shall be the authority to examine the applications for grant of permit for operation of scheduled air transport services, and for issuing, cancelling or suspending such permits.
- 1.3 Accordingly, it has been decided that the following guidelines shall be followed for grant of permission to Indian air transport

undertakings to operate scheduled international air transport services.

- 1.4 This Aeronautical Information Circular is issued pursuant to sub-rule (1) of rule 133A of the Aircraft Rules, 1937.

2. Eligibility Criteria

- 2.1 Any Indian air transport undertaking shall be eligible to apply for operation of international scheduled air transport services, if it –

(i) has a valid Air Operator's Certificate for operation of scheduled air transport services; and

(ii) deploys 20 aircraft or 20% of total capacity (in term of average number of seats on all departures put together), whichever is higher, for domestic operations. For this purpose, the published schedule of airlines will be the basis for monitoring, assuming that one aircraft would have six departures per day.

- 2.2 The requirements listed in clause (ii) of sub-paragraph 2.1 shall not be applicable to all-cargo services.

3. Allocation of Capacity and Traffic Rights

- 3.1 Any air transport undertaking meeting the eligibility criteria specified in the preceding paragraph and planning to commence international scheduled air transport services or, if it is already operating international flights, planning to increase flights, shall make an application to the Ministry of Civil Aviation in duplicate in the prescribed proforma given at Appendix 'A'. The applications shall be submitted between 1st January and 31st March every year for two IATA schedule periods commencing with the next winter schedule and between 1st July and 30th September every year for the two IATA schedule periods commencing from the next Summer schedule.

- 3.2 The Ministry of Civil Aviation will examine the applications received from the angle of eligibility and preparedness/capability, and consult all eligible airlines before making any

allocation of traffic rights. On completion of this exercise, the Ministry will allocate traffic rights to the applicant/s taking into account the availability of such rights under the respective bilateral air services agreement. In case the available traffic rights are not sufficient to cover the requirements reflected in the applications, the allocation shall be first made to satisfy the requirement contained in any application for operations from a non-metro airport and the balance traffic rights shall be allocated in the ratio of Available Seat Kilometers (ASKMs) deployed by the applicants on domestic scheduled air transport services during the last five completed schedule periods.

- 3.3 The traffic rights allocated to an airline for a particular schedule period shall be fully utilised by it during the same schedule period. Failure to do so shall result in the unutilized rights reverting back to Ministry of Civil Aviation at the end of the schedule period for which they were allocated and the Ministry will be free to allocate them to other airlines as per para 3.2. The defaulter airline may also apply afresh, if it so wishes, but its priority for allocation of rights will be reckoned as the lowest among all the applicants.
- 3.4 If an airline starts using the rights allocated to it initially but subsequently discontinues or curtails operations, it shall immediately inform Ministry of Civil Aviation and DGCA about such discontinuance, or curtailment, indicating its plan for resumption of the discontinued or curtailed operation. If resumption is not planned within six months, or if it is planned but not effected within six months, the unutilized rights will be treated as surrendered and Ministry of Civil Aviation will be free to allocate them to other airlines.
- 3.5 After allocation of traffic rights on international routes, the air transport undertaking shall continue to meet the requirement of para 2.1 (ii) at all times.
- 3.6 Due consideration shall be given to the operational plans submitted by Air India Ltd. before allocation of the traffic rights to the other eligible applicants.
- 3.7 The Central Government (Ministry of Civil Aviation) may at its discretion grant or deny allocation of traffic rights to any air transport undertaking having regard to its preparedness to

undertake such operations, viability of the operations on a particular route, overall interests of the civil aviation sector, etc.

4. Code-share Operations and Airline Alliance

- 4.1 Indian carriers will be free to enter into domestic code-share agreements with foreign carriers to any point in India if available under the respective Air Service Agreement (ASA). However, for non-designated carriers, prior approval of the Ministry of Civil Aviation will be required. Once such approval has been obtained by the concerned Indian carrier, it may implement the domestic code share arrangement after giving 30 days notice to Ministry of Civil Aviation and DGCA with details of the sectors on which code sharing is to be implemented.
- 4.2 For the designated carriers of India to enter into international or domestic code share arrangements with foreign carriers in accordance with the terms of applicable ASAs, no prior approval from Ministry of Civil Aviation will be required. However, the designated carriers of India would need to inform Ministry of Civil Aviation and DGCA 30 days prior to starting the domestic or international code-share flights, and also request for designation, if required.
- 4.3 If it is found at any point of time that the codeshare agreement violates the ASA, the same shall be disallowed, notwithstanding prior intimation given to the Ministry of Civil Aviation.
- 4.4 If an Indian carrier joins a global alliance of airlines such as Star Alliance, One World, Sky Team, etc., it shall keep the Ministry of Civil Aviation and DGCA informed about it.
- 4.5 A review will be carried out as and when required on need basis and at least once in 5 years to consider the requirement to further liberalization in code share agreements.

5. Designation under the Air Services Agreement

After allocation of traffic rights or on receiving the request for designation pursuant to entering into a code-share agreement, as the case maybe, the Ministry of Civil Aviation may designate the Indian air transport undertaking to operate the agreed services under the respective air services agreement with the foreign government and keep the DGCA informed about it.

6. Action by DGCA

On being satisfied that the air transport undertaking is competent to undertake operation of scheduled services on international routes applied for and has been allocated the requisite traffic rights, DGCA shall appropriately endorse the Air Operator's Permit. Thereafter, the air transport undertaking shall file the schedule with DGCA in accordance with the approved slots, and operate the flights as per approved schedule.

Appendix 'A'

APPLICATION FORM FOR FILING REQUESTS

FOR ALLOCATION OF TRAFFIC RIGHTS ON INTERNATIONAL ROUTES

1.	Name of the Airline			
2.	Date from which continuous operations in domestic sector			
3.	Fleet size (with details)			
4.	Details of traffic rights sought (maximum four IATA schedule periods)			
IATA Schedule period				
	Country	Route	Frequency (per week)	Aircraft type/ number of seats
IATA Schedule period				
	Country	Route	Frequency (per week)	Aircraft type/ number of seats
5.	Plan for aircraft induction			
a)	Whether aircraft already in fleet or to be acquired?			
b)	If to be acquired then status of i. NOC of AAC to import ii. Permission of DGCA to import iii. Estimated date of arrival of aircraft in India			
c)	Name of pilots who have the proper licence / ratings			
d)	Name of engineers who have the ratings/licence			
e)	If foreign pilots and engineers are required, whether security clearance has been obtained or applied for?			
f)	Arrangements for operations/maintenance at the foreign destination and whether necessary approvals have been obtained from DGCA?			
6.	Availability of slots at the airport to which landing rights are sought			
7.	Any other relevant information			

Signature of Chairman/Director/CEO of the Company

Date:

(Seal of the Company)

Note: While operating international flights, the operator shall comply with the condition contained in para 2.1(ii) at all times.