

Standing Committee Report Summary

Issues Related to Improving Consumers' Satisfaction of Airlines

- The Standing Committee on Transport, Tourism and Culture (Chair: Mr. Derek O' Brien) submitted a report on 'Issues Related to Improving Consumers' Satisfaction of Airlines' on January 4, 2018. Key observations and recommendations of the Committee include:
 - **Pricing of air tickets:** The Committee observed that the domestic airline pricing runs in multiple levels (or buckets) which is in line with global practices. The lower fare in the fare bucket is available for advance booking. As the date of journey approaches closer, the fare in the higher bucket is made available as per the respective airline policy. The Committee noted that the pricing mechanisms applicable in developed countries may not be suitable for India. Further, even after a 50% reduction of the prices of aviation turbine fuel (ATF), airlines have not passed on the benefit of such reduction in prices to the consumers.
 - The Committee also noted that around festivals and for bookings made closer to the travel dates, some airlines charge more than ten times of the advance booking fare, which is arbitrary. It also noted that windfall profits cannot be taken from passengers especially those belonging to the working class. The Ministry of Civil Aviation also has a social responsibility towards its citizens, and economic viability cannot be the only decision making criteria. It recommended that the Ministry should consider fixing an upper limit for air tickets for every sector.
 - **Behaviour of airline staff:** The Committee observed that recently there have been several incidents of manhandling, and misbehaviour by airline staff (both ground staff and cabin crew). Merely taking strict action against the employees does not absolve the airline of its guilt of such incidents. It noted that such problems within airlines are institutional and not personal. It recommended that airlines should relook their employee behaviour.
 - **Training of airline staff:** The Committee recommended soft skills training and functionality training for all employees across airlines. The employees must be trained to effectively manage crisis situations such as delay in flight take-off, delay in landing, and diversion of flights. They should also be trained to be sensitive towards the needs of persons with disability. It also recommended that the government should come up with a training programme for airlines, suitable to Indian conditions, at the earliest. The training must be standardised across all airlines.
- **Airline check-in:** The Committee noted that the processes of check-in and luggage collection are cumbersome and time consuming, especially in low cost airlines. Airlines also overbook flights and create artificial situations to deny boarding to confirmed ticket holders. It recommended that passengers should not spend more than 10 minutes at these counters. The Airport Authority of India, other airport operators, and the airlines should provide adequate counters to manage check-in.
- **Cancellation charges:** The Committee noted that cancellation charges levied by private airlines are set arbitrarily. There is no uniformity or minimum standards to impose charges for rescheduling, cancellation, and no-show. It recommended that airlines must be restricted to charge not more than 50% of the base fare as cancellation charges. The tax and fuel surcharge collected should be refunded to the passengers on cancellation of tickets. The Directorate General of Civil Aviation should check and monitor these charges routinely.
- **Complaints redressal mechanism:** The Ministry of Civil Aviation has developed an Air Sewa application to help airline passengers, which is available on web and mobiles. However, only 20,000 users have downloaded the app, in comparison to the 16 crore air passengers. The Committee recommended more advertisement of the app, and linking it with the grievance redressal mechanism of each airline. Further, a proper complaints redressal mechanism should be in place with all airlines.
- **Miscellaneous:** The Committee noted that the government has adopted the open sky policy without laying down the necessary guidelines, rules and regulations to control activities of the airlines. Further, it is unclear who fixes the standards and what the standards are with regard to training, quality of food, amenities to passengers, behaviour of airline staff, quality of seats, cancellation charges, and pricing of air tickets. It recommended that the Ministry should set guidelines and standards with regard to these services.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.