

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
STARRED QUESTION NO. : 75
(To be answered on the 2nd December 2021)**

ESSENTIAL AIR SERVICES FUND

***75. SHRI ANUBHAV MOHANTY**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government proposes to establish an Essential Air Services Fund (EASF) for providing subsidy support to uneconomical services including commercially unviable airports for the benefit of the passenger traffic of the areas around those airports;
- (b) if so, the details thereof including the futuristic plans for such sectors; and
- (c) if not, the manner in which the Government proposes to support such sectors/airports for the benefit of the people of those areas?

ANSWER

Minister of CIVIL AVIATION

नागर विमानन मंत्री

(Shri Jyotiraditya M. Scindia)

(a) to (c): A statement is laid on the table of the House.

STATEMENT IN RESPECT OF LOK SABHA STARRED QUESTION NO. 75 REGARDING "ESSENTIAL AIR SERVICES FUND" TO BE ANSWERED ON 02.12.2021.

(a): No Sir.

(b): Does not arise in view of (a) above.

(c): The Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS)- UDAN (Ude Desh ka Aam Nagrik) on 21-10-2016 to enhance regional air connectivity from unserved and underserved airports in the country and by making air travel affordable to the masses. Promoting affordability of regional air connectivity is envisioned under RCS-UDAN by supporting Selected Airline Operators through (i) concessions by Central Government, State Governments and airport operators to reduce the cost of airline operations on regional routes and (ii) financial support (Viability Gap Funding) to meet the gap, if any, between the cost of airline operations and expected revenues on regional routes. The Government of India has created Regional Air Connectivity Fund to promote RCS - UDAN. Central Government has imposed a levy at the rate of Rs. 5000 per departure on scheduled flights being operated within India subject to certain conditions/exemptions to fund the Regional Air Connectivity Fund for providing Viability Gap Funding (VGF) to the Selected Airline Operators (SAOs) under the RCS - UDAN.

The Government has approved budgetary support of Rs. 4500 crores for revival/upgradation of existing unserved / underserved airports / airstrips/ heliports/ water aerodromes of the State Governments, Airports Authority of India, Public Sector Undertakings and Civil Enclaves. An airport which is included in the awarded routes of RCS - UDAN and requires upgradation/development for commencement of RCS operations is developed under "Revival of unserved and underserved airports" scheme.

UDAN is a market driven Scheme. Interested airlines based on their assessment of demand on particular routes submit proposals at the time of bidding under RCS. As on date, 395 UDAN routes have been operationalized involving 63 unserved/underserved airports including 6 heliports and 2 water aerodromes. RCS - UDAN is an ongoing scheme where bidding rounds are conducted periodically for covering more destinations/stations and routes under the scheme.
