



Status of implementation of UDAN

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The Government has awarded 128 routes connecting 43 unserved and under-served airports to 5 selected airlines for commencing operations under Regional Connectivity Scheme (RCS) - UDAN in the 1st round of bidding. RCS flights from six RCS airports - Shimla, Nanded, Kandla, Porbandar Gwalior & Bhatinda - have already commenced. The 2nd round of bidding under RCS-UDAN is likely to commence soon.

As per provision in the National Civil Aviation Policy, revival of the airstrips and airports where scheduled operations are currently not undertaken, will be demand-driven depending of firm demand from airline operators and development as No frill airports will be done at an indicative cost within Rs.100 crores.

The Ministry of Civil Aviation launched RCS-UDAN scheme on 21-10-2016 to facilitate / stimulate regional air connectivity by making it affordable. Promoting affordability of Regional air connectivity is envisioned under RCS by supporting 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 or VGF).

Central Government, State Governments and airport operators will be inter-alia providing following concessions under RCS:

Central Government :

- i) Excise Duty at the rate of 2% on Aviation Turbine Fuel (ATF) for Selected Airline Operators at RCS Airports for RCS Flights for a period of three years from the date of notification of this Scheme.
- ii) Freedom to enter into code sharing arrangements with domestic as well as international airlines pursuant to applicable regulations and prevailing air service agreements.

State Governments at RCS Airports within their States:

- i) Reduction of VAT to 1% or less on ATF at RCS Airports located within the State for a period of ten years from the date of notification of this Scheme.
- ii) Provision of security and fire services free of cost at RCS Airports

Airport Operators:

- i) Airport operators shall not levy Landing Charges and Parking Charges
- ii) Selected Airline Operators shall be allowed to undertake ground handling for their RCS Flights at all airports.
- iii) Airports Authority of India (AAI) shall not levy any Terminal Navigation Landing Charges (TNLC) on RCS Flights.
- iv) Route Navigation and Facilitation Charges (RNFC) will be levied by AAI on a discounted basis @ 42.50% of Normal Rates on RCS Flights.

In addition to the above, Central Government and State Governments will provide VGF. It will be shared between Ministry of Civil Aviation and the State Government in the ratio of 80:20 whereas for the states in North-Eastern region / Union Territories (UT's) the ratio will be 90:10.

This information was given by Minister of State for Civil Aviation Shri Jayant Sinha in a written reply to a question in the Lok Sabha today.

