



# Encouraging Response to Civil Aviation Ministry's Regional Connectivity Scheme UDAN (Ude Desh Ka Aam Nagrik)

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Airports Authority of India (AAI), the implementing agency for the Regional Connectivity Scheme (UDAN) has received 45 initial proposals from 11 bidders covering more than 200 RCS routes as the deadline for submitting initial proposals came to an end on 16<sup>th</sup> Jan 2017. These initial proposals cover as many as 65 airports, of which there are 52 un-served and 13 under-served airports as per the provisions of the scheme. Counter-bids have now been invited against these initial proposals, the last date of submission for which is 1<sup>st</sup>Feb. 2017. The routes or networks will be awarded to the bidders who quote the lowest requirement of Viability Gap Funding (VGF) against such routes. To ensure that operations on ground start with minimum time-gap after the bidding is completed, parallel action has also been initiated by the Ministry of Civil Aviation with AAI, State Governments, DGCA and Bureau of Civil Aviation Security.

It may be recalled that with the twin objectives of promoting balanced regional growth and making flying affordable for masses, the Ministry of Civil Aviation had launched the Regional Connectivity Scheme (UDAN) on 21<sup>st</sup> Oct. 2016. RCS was a key component of the National Civil Aviation Policy which was released by the Ministry on 15<sup>th</sup> June 2016. The scheme, which would be in operation for a period of 10 years, envisages providing connectivity to un-served and under-served regions of the country through revival of existing air-strips and airports. This would be achieved through a financial stimulus in the form of Central and State government concessions, as well as Viability Gap Funding to the interested airlines to kick-off operations from such airports, so that the passenger fares are kept affordable. The fare for a one hour journey of approximately 500 km on a fixed wing aircraft or for a 30 minute journey on a helicopter would be capped at Rs. 2,500 under the scheme, with proportionate pricing for routes of different lengths / duration.

The Union Minister of Civil Aviation Sh. P. Ashok Gajapathi Raju, while expressing satisfaction with the response received under the scheme, conveyed that this is a significant step ahead in realizing our Hon'ble Prime Minister's vision of 'connecting the un-connected and serving the un-served'. The scheme is likely to give a major boost to tourism activities and employment generation in hinterland and Tier-II and Tier-III cities, he added.

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