

depending upon sector distance and type of service. Certain fares offered by some of the scheduled domestic airlines have zero fuel surcharge. However, the fuel surcharge is not a tax to the Government. The Directorate General of Civil Aviation (DGCA) has now issued guidelines whereby airlines are not to give a breakup of fuel surcharge as it may mislead the passengers.

(c) and (d) Air fares are not being regulated by the Government. However, DGCA only monitors the fares of the airlines.

#### **Proposal of SOP**

16. SHRI JAI PRAKASH NARAYAN SINGH:  
SHRI DHARAM PAL SABHARWAL:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Government has come up with a proposal of Standard Operating Procedure (SOP) for VVIP flight movements;
- (b) if so, the details thereof; and
- (c) the minor/major accidents involving VVIPs reported during the last two years?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL):  
(a) and (b) Yes, Sir. With a view to collate all the instructions and lay down Standard Operating Procedure (SOP) for conduct/operation of VVIP/VIP flights, a Joint Standard Operating Procedure (SOP) between Airports Authority of India and Indian Air Force has been finalised and approved by Directorate General of Civil Aviation. As per the SOP VVIP term means and include the President, the Vice-President, the Prime Minister of India and foreign Heads of States/Government.

- (c) During the said period no accident was reported to VVIP flights.

#### **Recommendations of GoMs on financial restructuring of AI**

17. SHRIMATI SHOBHANA BHARTIA:  
SHRI N.K. SINGH:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Group of Ministers (GoMs) set up by Government on the financial restructuring of the Air India (AI) has recommended salary cuts of employees;
- (b) if so, whether the Air India's losses would be under control in case the recommendations of the GoMs are accepted;
- (c) if so, to what extent and whether the employees of Air India or union of employees have agreed to the proposals of the GoMs; and
- (d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL):  
(a) The Group of Ministers (GoMs) in its meeting held on 3.2.10 has considered measures towards rationalisation and harmonization of revenues and costs including that of wages.

(b) Air India had presented various cost cutting measures before the GoMs which is aimed at savings of Rs. 1911 crores.

(c) and (d) The GOMs deliberations have not been discussed with the employees unions as yet.

#### **Cargo hubs**

18. SHRI MOHD. ALI KHAN: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Air India would build cargo hubs in some parts of the country;
- (b) if so, the details thereof and the parameters adopted therefor; and
- (c) the financial allocations in this regard in the Eleventh Five Year Plan?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL):  
(a) to (c) Air India is in the process of formalising the establishment of a full fledged Cargo Strategic Business Unit (SBU) and is examining the various options of its Cargo Marketing, Sales and Operations activities.

#### **Losses of Air India**

19. SHRI R.C. SINGH:  
SHRI D. RAJA:  
SHRI GOVINDRAO WAMANRAO ADIK:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that the Air India has been running a loss since 2006-07;
- (b) if so, the details of the financial position of this company since 2006-07 and the reasons therefor;
- (c) whether Government is considering a proposal to demerge Air India and Indian Airlines to pull out of the present crisis being faced by this organisation; and
- (d) if so, the details thereof and if not the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL):  
(a) and (b) Yes, Sir. Air India had incurred a loss of Rs. 447.43 crores (pre-merger), Rs. 2226.16 crores (after merger) and Rs. 5548 crores during financial year 2006-07, 2007-08 and 2008-09 respectively. The reasons for losses are mainly due to the prevalent economic recession and low yields and load factors coupled with higher fuel costs.

(c) No, Sir.

(d) On completion of merger, the airline would be better equipped to survive and prosper amidst fierce global and domestic competition and leverage their combined asset and capital base. Against the projected synergy benefit of Rs. 996 crores spread over a period of two years, an amount of Rs. 503 crores have been realised as synergy benefits in the first year of the integration process.