

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Compensation to AAI

1396. SHRI RAJEEV CHANDRASEKHAR : Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Airports Authority of India (AAI) has sought compensation from Government for revenue loss suffered due to closure of commercial operations at Hyderabad and Bangalore;

(b) whether the Government had earlier refused to issue Rs. 5000 crore worth tax free bonds to help AAI to meet its shortfall in revenue; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL) : (a) Yes, Sir. As part compensation for closure of commercial operations of Airports Authority of India (AAI) airports at Hyderabad and Bangalore, AAI has requested the Government of India to pass on the four percent Concession Fees on the Gross Revenue of Bangalore International Airports Limited (BIAL) and Hyderabad International Airport Limited (HIAL) receivable by Government of India to AAI in accordance with the provisions of Concession Agreements with BIAL and HIAL.

(b) and (c) Yes, Sir. The request of AAI in the first instance, was not agreed to by the Finance Ministry citing the reason that tax free bonds tend to distort the actual market determined rates of interest and lead to competing demands for issue of such bonds by other entities as well.

Increase in IA services for promoting tourism in MP

†1397. SHRI RAGHUNANDAN SHARMA : Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether services of Indian Airlines (IA) need to be increased in Madhya Pradesh in order to promote tourism there;

(b) if so, the steps being taken by Government in this regard;

†Original notice of the question was received in Hindi.

(c) whether Government has received any proposal from the State Government of Madhya Pradesh in this regard;

(d) whether this project has been sanctioned; and

(e) if so, the time by when this project would be completed?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL) : (a) and (b) Air India and its subsidiary Alliance Air presently operate flights on Delhi-Bhopal-Indore-Mumbai, Delhi-Gwalior, Delhi-Jabalpur and Delhi-Varanasi-Khajuraho sectors. Currently, Air India does not have any plans to increase services to Madhya Pradesh due to capacity constraints. These locations are also serviced by other Indian carriers.

(c) to (e) Government has received a direction through High Court of Madhya Pradesh to work out the feasibility that how and in what manner the flights of different companies can be brought to Gwalior (MP). Accordingly, a meeting was convened with representatives of all the airlines. Though it is up to the airlines to start flight on a particular sector based on its commercial judgement and resource availability, the airlines have been advised to work out the feasibility on increasing connectivity to Gwalior (MP).

Separate subsidiary for cargo business

1398. MS. SUSHILA TIRIYA : Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government plans to spin off its cargo business into a separate subsidiary;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL) : (a) and (b) No, Sir. The Cargo business conducted by airlines.

(c) Does not arise.

Inadequate security at Mumbai Airport

†1399. SHRI SANJAY RAUT : Will the Minister of CIVIL AVIATION be pleased to state:

†Original notice of the question was received in Hindi.