

contributed and the way they articulated and made their points in a well-structured manner. This is the message that I want the House to convey to the people on a daily basis on every issue. Studying properly, coming here and articulating them in a proper manner, highlighting the problems of their States or communities or different sections of society, today, I cannot express it in words.

I have been hearing everybody. Except that there was a small thing, it is really wonderful. We should maintain this tradition. Moreover, Zero Hour is not for making allegations and counter allegations. That is a separate thing. Zero Hour is only to highlight certain things and to bring them to the notice of the Government and the country. That is why, I don't allow anybody to take names of others and then make charges and counter charges. Then, the purpose will be defeated. That has to be noted. Keep it up. That is my only advice to all of you. Now, Question Hour; Question No. 91.

ORAL ANSWERS TO QUESTIONS

RCS-UDAN in Odisha

*91. DR. AMAR PATNAIK: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the present status of implementation of the RCS-UDAN routes connecting Jeypore, Utkela, Rourkela and Jharsuguda airports in Odisha;

(b) whether Government has identified the causes for lack of valid bids for regional airports under this scheme;

(c) if so, the details thereof; and

(d) the steps taken by Government to improve the commercial viability of routes among the regional airports in Odisha?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) to (d) A Statement is laid on the table of the House.

Statement

(a) In the first round of bidding under Regional Connectivity Scheme (RCS)-UDAN (Ude Desh ka Aam Nagrik) routes connecting Jeypore, Utkela, Rourkela and

Jharsuguda airports were awarded. Routes connecting Jeypore, Utkela, Rourkela and Jharsuguda airports were cancelled due to the non-compliance of Selected Airline Operator (SAO) Agreement by the SAOs. These airports were offered under second and third rounds of bidding under RCS-UDAN. However, no valid bid was received for Jeypore and Utkela Airport. Under UDAN third round, RCS routes connecting Jharsuguda airport to Kolkata, Bhubaneswar, Hyderabad, Mumbai, Delhi and Raipur airport were awarded. Operations on these routes, except Jharsuguda-Mumbai have been commenced. Jharsuguda-Mumbai route could not be operationalised as the Selected Airline Operator has suspended its operations. Routes from Rourkela to Bhubaneswar and Rourkela to Raipur were awarded to SAOs. However, operations could not be commenced due to non-readiness of Rourkela Airport for the aircraft (ATR - 72) mentioned in the bid by the SAO.

(b) to (d) Regional Connectivity Scheme is a market driven scheme. Under the scheme, airlines assess demand and nature of supply required on particular route and based on their analysis participate in the bidding process to be conducted from time to time. The primary objective of RCS is to facilitate/stimulate regional air connectivity by making it affordable. Promoting affordability of regional air connectivity is envisioned under RCS by supporting SAOs through concession by Central Government, State Governments/UTs and airport operators to reduce the cost of airline operations on regional routes and financial (Viability Gap Funding or VGF) support to meet the gap, if any, between the cost of airline operations and expected revenues on such RCS routes. Central Government and State Governments share Viability Gap Funding (VGF) in the ratio of 80:20 whereas for the States in North-Eastern Region/Union Territories (UTs) the ratio is 90:10.

Various concessions *inter alia* provided by the stakeholders concerned under RCS are as follows:—

1. 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 (3) years from the date of commencement of the RCS flight, during the currency of the 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.

2. 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 (10) years from the date of notification of this Scheme.
- (ii) Provision of security and fire services free of cost at RCS Airports.
- (iii) Provision of minimum land, if required, free of cost and free from all encumbrances for development of RCS Airports/Water Aerodromes/Heliports and also provide multi-modal hinterland connectivity as required.
- (iv) Provision of directly or through appropriate means, electricity, water and other utility services at substantially concessional rates at RCS Airports/Water Aerodromes/Heliports.

3. Airport Operators:—

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

DR. AMAR PATNAIK: Sir, the UDAN scheme was basically designed not only to spur economic activity and address the imbalances within the region but also to take care of emergencies like health and other issues. In this connection, my question was whether the smaller places, like Jeypore, Utkela, Rourkela and Jharsuguda airports could be connected through the UDAN scheme. Now that it has not been done, my specific question is this. Rourkela-Bhubaneswar sector has not been operationalised now by the selected airline operator due to non-readiness of the Rourkela airport. When is the airport going to be readied? What is the problem in that?

SHRI HARDEEP SINGH PURI: Sir, the hon. Member has whilst referring to the UDAN scheme, which was started in late 2016, mentioned its activities as economic activity, connectivity, etc. The purpose essentially is to provide connectivity. Other emergency services, etc. will form part of it. In overall terms, out of the 680 or so routes awarded, we have operationalised 232. In the case of State of Odisha, it may be recalled that last year, the Prime Minister had inaugurated the Jharsuguda airport, which is doing extremely well. It has connectivity now with Delhi, Hyderabad and Kolkata. The Mumbai sector was earlier serviced by an airline operator which has ceased operations. In so far as the airports at Jeypore, Utkela and Rourkela are concerned, in the case of two of them, Jeypore and Utkela, it is essentially awaiting upgradation of the airport infrastructure by the State Government. The Airports Authority of India has been in touch with the State Government. As soon as the airport infrastructure is upgraded in the case of Jeypore, the licensing by DGCA will be done. In so far as the airport in Utkela is concerned, again, I hope that they can do it quickly. In so far as operationalisation of the Bhubaneswar-Rourkela sector is concerned, the hon. Member has himself said that the selected airline operator has to operationalise it. The crux of the UDAN scheme is that the airlines, based on the assessment of viability and traffic, would come forward and do that.

DR. AMAR PATNAIK: Sir, the reply says that the Rourkela sector is not operating due to non-readiness of the Rourkela airport which is to be done by the Airports Authority of India. So, I think that is not with the operator. Anyway, Sir, I put my second supplementary. The bids are not coming because it says that it follows the market mechanism. I can understand that. The viability gap funding in the case of North-Eastern Region is 80:20. If the airports are not coming up in backward areas, Naxal-infested areas like Koraput, Jeypore and all those areas, why can't we increase the viability gap funding to 90:10 in those places? In such a case, the private operators may like to come.

MR. CHAIRMAN: It is a suggestion for action.

SHRI HARDEEP SINGH PURI: Sir, let me start with the particular airport that the hon. Member has mentioned, which is the Rourkela airport. That is not a State airport; it is of SAIL. Again, when we talk about airport infrastructure, there is very often a case of land being made available, etc. All I can tell the hon. Member is that from the point of view of the Airports Authority of India, as soon as the land

is available, infrastructure will be completed and licensing will also be completed. But the issue here is that DGCA licensed the SAIL airport at Rourkela for a smaller airport. Now, for the ATR-72 airport, the State has to complete the observation and upgrade the airport. So, it is a question of additional airstrip for the 72 seater aircraft which, again, is a work in progress.

MR. CHAIRMAN: Shri K. J. Alphons.

SHRI HARDEEP SINGH PURI: Sir, I need to answer the second supplementary.

MR. CHAIRMAN: Don't worry; Shri K. J. Alphons.

SHRI K. J. ALPHONS: Sir, I would like to know from the hon. Minister that many of these routes, for which these private airlines have got licenses, are not operating. What is the reason for that? Is it viability or is it some other problem? Is the Government willing to grant more concessions if it is not a viable proposition?

MR. CHAIRMAN: I would like to make one observation. I would request the Members not to frequently come, during the time of the Session to the Secretariat officials and start conversing with them. This not only diverts their attention but my attention also. You can meet them before or after unless there is something urgent. Yes, now, reply to Shri K. J. Alphons.

SHRI HARDEEP SINGH PURI: Sir, I would also take this opportunity to respond to the same point made by an hon. Member. ...(*Interruptions*)...

MR. CHAIRMAN: No, no. What has been permitted, do it. The DGCA has given you permission to fly on a route. You cannot divert the flight.

SHRI HARDEEP SINGH PURI: Sir, the Central Government is offering a large number of concessions to make UDAN a viable and successful operation. There is excise duty reduction. VAT has been made one per cent or less. The airport operators are not charging ground handling, land parking charges. Then, after all this, if there is still a gap left, we provide what is called Viability Gap Funding (VGF). In the case of all the States, it is at the ratio of 80:20. Now, we are willing to look at Viability Gap Funding but it cannot be that the only answer is Viability Gap Funding. In the case of the North-Eastern States, the hon. Member has mentioned 90:10 but, then, we have had to draw a line. This has to be a self-financing operation based on demand but we are now seeing to that and we are hoping that by the time we

[Shri Hardeep Singh Puri]

invite the bids for UDAN Phase-IV, — which is something we are likely to do — many of these other airports, including some which I cannot anticipate, would also be covered by selected airline operators.

Guidelines for air cargo service

*92. SHRI A. VIJAYAKUMAR: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there is any proposal to bring the rate of air cargo service lower in the country;

(b) if so, the details thereof;

(c) whether it is a fact that booking and collection of air cargo is more tedious and a common man can not avail the service due to high rate and tedious process; and

(d) if so, whether there is any proposal to amend guidelines for booking/delivery of air cargo?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI HARDEEP SINGH PURI): (a) to (d) A Statement is laid on the table of the House.

Statement

(a) and (b) Rates and charges on air cargo are applied by various service suppliers, including airlines, airports, freight forwarders/ customs house agents, and first and last mile transport providers. These are competitively determined based on market dynamics. In the case of major airports, the airport charges are determined by the Airports Economic Regulatory Authority (AERA) of India after due stakeholder consultations. As per industry analyses, average domestic rates have remained largely stable over the past 2-3 years.

The Government's approach is to provide suitable policy and congenial regulatory regime, for the encouragement of infrastructure development, simplification of procedures, technological upgradation, and deployment of skilled manpower, all aimed at efficient and cost-effective air cargo services delivery.

(c) and (d) The processes for booking/collection of various types of air cargo are now substantially paperless and automated across the entire supply chain. Ease of doing business and transparency has also been provided by the Government