

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:1347  
ANSWERED ON:12.12.2013  
ROUTE DISPERSAL GUIDELINES  
Reddy Shri Modugula Venugopala

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether the Government proposes to revise the route dispersal guidelines to improve the air services to far-flung and inaccessible areas;
- (b) if so, the details thereof;
- (c) whether the Government has enlisted the services of any consultancy firms for policy framework for expansion of air connectivity to small towns and cities on a low-cost basis;
- (d) if so, the details thereof and the suggestions made by the consultancy firm;and
- (e) the steps taken/proposed to be taken by the Government to promote low-cost carriers in the country during the 12th Five Year Plan?

**Answer**

Minister of State in the Ministry of CIVIL AVIATION ( SHRI K. C. VENUGOPAL )

(a): No Madam. There is no such proposal at present.

(b): Does not arise.

(c) and (d):- : Yes Madam. The Ministry has entrusted the task of conducting a study to examine the issue of regional air connectivity and the steps required for promoting such connectivity to M/s Deloitte Touche Tohmatsu India Pt. Ltd. The consultant has submitted its report to the Ministry. Some of the important recommendations/suggestions made by the consultants include

(i) Revision of Route Dispersal Guidelines

(ii) Creation of a Regional Air Connectivity Fund (RACF) to promote regional and remote air connectivity

(iii) Reduction of VAT on ATF

(iv) Reclassification of ATF as Declared Good

(e): The term Low Cost Carrier (LCC) is basically a business model practice adopted by certain airlines. As there is no criterion defined to classify airlines as Low Cost Carrier (LCC), DGCA have not categorized any airline as LCC. The Government has taken several measures to promote the airlines, like allowing direct import of Aviation Turbine Fuel by Indian Carriers as actual users, permitting foreign airlines to participate upto 49 percent in the equity of an scheduled air transport undertaking, allowing ECB for working capital requirement of airline industry for a period of one year, subject to a total ceiling of US \$ 1 billion and tax concession for parts of aircraft and testing equipment for third party maintenance, repair and overhaul of civil aircraft.