

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3487
ANSWERED ON:04.08.2014
FINANCIAL ASSISTANCE TO AIRLINES
Dev Km. Sushmita;Venugopal Dr. Ponnusamy

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has given any financial assistance to various airlines operating in the country including Alliance Air to start flights in the North-Eastern States during the last three years and the current year and if so, the details thereof, airline and year-wise;
- (b) whether the Government has also given financial assistance to Alliance Air to start ATR flights between Silchar and Guwahati, Silchar and Kolkata, and Silchar and Imphal and if so, the details thereof;
- (c) if not, whether the Government intends to provide financial assistance to start these flights and if so, the details thereof and if not, the reasons therefor; and
- (d) whether the Government is considering any proposal to offer incentives to airlines for flying to remote areas and if so, the details and the present status thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION (Shri G.M. Siddeshwara)

(a) : Yes, Madam. Only Alliance Air flights operating with ATR aircraft in the North Eastern Region, were subsidised under an annual grant from the North Eastern Council (NEC). An Annual grant of Rs.47.07 crores in the form of Viability Gap Funding (VGF) was granted to Alliance Air, under the terms of an Memorandum of Understanding (MoU) with the NEC. The VGF was paid till the calendar year 2011 and thereafter it was discontinued. The VGF provided to Alliance Air in last three years is as under:

Year	VGF (Rs in crores.)
2011	47.07
2012	00.00
2013	00.00

(b) and (c) : Alliance Air has resumed services w.e.f 01.08.2014 on the following sectors in the North East Region on payment of VGF as agreed by the Northern Eastern Council:

Kolkata / Shillong / Kolkata - Six days/week
Kolkata / Guwahati / Lilabari & vice-versa - Four days/week
Kolkata / Guwahati / Tezpur & vice-versa - Three days/week

However, presently, it is not possible to resume air service to Silchar and Imphal, due to non availability of aircraft to operate on these routes.

(d) Government has laid down Route Dispersal Guidelines (RDG) which inter-alia mandate all scheduled operators to deploy to North East and other remote areas 10% of their capacity deployed on Category-I routes. Domestic air services have been controlled and deregulated. It is upto the airlines to provide air services to specific places depending upon the traffic demand and commercial viability subject to compliance with RDG.