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No. AV.13030/34/2012-DT
Government of India
Ministry of Civil Aviation

Rajiv Gandhi Bhawan,
New Delhi – 110 003
Dated the 4th March, 2014

ORDER

In supersession of the existing Order No. AV 11012/2/94-A dated 1st March, 1994 and in exercise of powers conferred by sub-rule 1(A) of rule 134 of Aircraft Rules, 1937, the Central Government, with a view to achieving better regulation of air transport services and taking into account the need for air transport services of different regions and remote areas in the country, hereby direct that every operator operating air transport services, shall be required to provide a minimum of air transport services to designated remote & strategic areas as well as within the areas so designated in the 'Policy on Regional and Remote Area Air Connectivity' dated the 3rd March, 2014, annexed herewith. DGCA and Airport Operators shall take necessary steps for the implementation of the Policy. Airport Operators will provide necessary concessions / assistance at the listed airports as per the provisions of the Policy. Issues concerning State Governments and Ministry of Defence shall be taken up to provide the concessions / services / facilities at their airports as envisaged in the policy.



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Government of India
Ministry of Civil Aviation
(AV.13030/34/2012-DT)

Dated 3rd March, 2014

Policy on Regional and Remote Area Air Connectivity

1. Introduction

- 1.1 Regional Air Connectivity is the provision of air transport services to under-served and un-served markets (towns / cities) with potential, providing connectivity both within a Region as well as between Regions.
- 1.2 Remote Air Connectivity is the provision of air transport services to areas not adequately connected through surface transportation – including parts of the country with difficult terrain, including areas that need to be connected for strategic reasons.
- 1.3 With a view to achieving better air regulation of air transport services and taking into account the need for air transport services to different regions in the country, the Government issued Route Dispersal Guidelines (RDGs) in March 1994. These Guidelines mandated 10% of capacity deployed on certain routes to be deployed on routes in identified remote areas, and 1% in the intra-remote regions. The remote regions identified were the entire North-East, J&K, Port Blair and Lakshadweep. The airlines meet this obligation by operating to stations in these areas. It is seen that some stations in these areas have developed, with passenger load factor of about 80% or above.
- 1.4 RDGs have certainly provided initial impetus to air connectivity to remote areas, but to take air connectivity to further remote areas where necessary infrastructure has been created and to un-served and underserved areas, it is necessary that new measures be taken to encourage airlines to increase flights to such airports. In addition, there are areas in the country which need to be connected due to their potential for tourism, industrialization and other strategic purposes. It is therefore necessary to lay down fresh guidelines to ensure remote and regional areas connectivity.
- 1.5 The aim of the Aviation Policy on remote and regional air connectivity is to encourage airlines and other operators to operate to such airports where infrastructure has been made available for operations, by offering certain incentives, and thereby reducing viability gap, if any for such operations.

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2. Incentives to operate to Airports Identified for enhancing Air Connectivity

- 2.1 Airports have been identified where incentives will be provided to airlines for operation. These are strategically important or remote locations that ought to be made accessible as part of public policy, even if services do not appear to be financially viable at present. The list of these airports at Annex-I is indicative and subject to revision from time to time. The list also includes a few civil enclaves of airports under the control of military, where airport charges for some services are levied by Ministry of Defence.
- 2.2 The following concessions will be provided to any passenger or cargo aircrafts which operate to these airports in the list in Annex-I, for an initial period of three years:
- a) Exemption from landing and parking charges; RNFC charges, PSF, Fuel Throughput-charges, and any other charges levied by AAI;
 - b) Airlines / Operators will be allowed to do self-ground handling during operations at these airports;
 - c) Ministry of Defence would be requested to give similar concessions under their control; and
- 2.3 Based on the traffic criteria and the number of aircrafts operated, AAI will identify airports where such concessions would be made available throughout the year and those where concessions would be allowed with seasonal variations.
- 2.4 The concessions stated in 2.2 shall be available to scheduled / non-scheduled airlines / operators and who operate as per schedule for passengers / public. Other aircraft operators shall not be entitled to these concessions and would have to pay the specified charges.
- 2.5 Necessary amendments in the guidelines for scheduled and non-scheduled operators will be made and non-scheduled operators will be allowed to publish the time table of the flights operated by them and also for flights for which they code-share with scheduled airlines.

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3. Mandatory Operations to Remote Areas

3.1 In order to discharge the responsibility of providing connectivity to remote areas, it will be mandatory for all scheduled airlines to operate at least 6% of their total domestic operating capacity to airports in remote or strategic areas. In the event of any liberalized scheme permitting international routes, Government could consider imposing proportionate obligatory operations on mandatory routes. Areas / airports where operations are mandated are:

- a) All airports in North-East Region with the exception of Guwahati and Bagdogra;
- b) All airports in J&K with the exception of Jammu;
- c) All airports in Andaman and Nicobar islands; and
- d) Lakshadweep.

3.2 It will be mandatory for airlines to operate at least 1% of their total operating capacity on sectors/routes operated within the above areas. For the purpose of this calculation and for internal connectivity, operations to and from Guwahati, Bagdogara, Jammu and within Andaman & Nicobar will also be included.

3.3 The total operating capacity as referred to in 3.1 and 3.2, means the number of seats operated by an airline in all its sectors (except flights to / from main land to remote areas mentioned in a and b para 3.1 above) multiplied by sector distance in Kilometers (ASKM).

3.4 These areas / airports shall be reviewed from time to time and may be revised to ensure that flights to designated remote areas are not reduced.

3.5 Performance of the airlines' operations with respect to capacity deployment in terms of 'available seat-kilometers' (ASKMs) will be monitored by DGCA on a monthly basis.

3.6 Appropriate action such as proportionate reduction in seat allocation etc. shall be initiated against airlines not complying with these requirements in accordance with the provisions of the Aircraft Rules.

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4. Role of State Governments in Improving Air Connectivity

4.1 State Governments are important stakeholders in improving air connectivity in their respective strategic / remote areas, and at airports which are under their control and where they have provided infrastructure for air operations. The State Governments will be asked to provide the following services / facilities at these airports if not already provided by AAI / Ministry of Defence:

- a) Security and fire-fighting services;
- b) Reduced VAT on fuel uplifted from within the State;
- c) Infrastructure for proper access to airports;
- d) Waiver of duty on electricity charges;
- e) Waiver of municipal charges such as House Tax / Property Tax etc. for 5 years; and
- f) Underwriting of seats.

4.2 The development of an airport in strategic / remote areas by AAI will be guided by the support provided by State Governments undertaking the steps listed in 4.1 above.

5. An air connectivity fund may be established as a long term measure to provide necessary financial support to promote air connectivity to remote and strategic areas. The size of the fund, tenure and the institutionalized mechanism to administer the fund shall be as separately notified by the Government.

LIST OF AIRPORTS IDENTIFIED FOR PROVIDING CONCESSIONS

I. Regional Airports - AAI

- 1) Kuddapah (Andhra)
- 2) Akola (Maha)
- 3) Gondia (Maha)
- 4) Jalgaon (Maha)
- 5) Sholapur (Maha)
- 6) Keshod (Gujarat)
- 7) Porbandar (Gujarat)
- 8) Bhavnagar (Gujarat)
- 9) Coochbihar (WB)
- 10) Kota (Rajasthan)
- 11) Shimla (HP)
- 12) Gaggal/Dharamshala (HP)
- 13) Bhuntar/Kulu (HP)
- 14) Bilaspur (Chhattisgarh)
- 15) Jabalpur (MP)
- 16) Deoghar (Jharkhand)
- 17) Tuticorin (TN)
- 18) Jharsuguda (Orissa)
- 19) Ludhinana (Punjab)
- 20) Gaya (Bihar)
- 21) Mysore (Karnataka)
- 22) Belgaum (Karnataka)
- 23) Hubli (Karnataka)
- 24) Puducherry
- 25) Hubli (West Bengal)
- 26) Rajkot (Gujrat)
- 27) Nanded (Maharashtra)
- 28) Ludhiana (Punjab)
- 29) Nasik (Maharashtra)

II. Regional Airports – State Governments/other agencies

- 1) Sagar (MP)
- 2) Bareilly (UP)
- 3) Meerut (UP)
- 4) Karnal (Haryana)
- 5) Diu (SG/Coast Guard)
- 6) Jamshedpur (Jharkhand) - Tata

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III. Regional Airports -Civil Enclaves

- 1) Gwalior (MP)
- 2) Pathankot (Punjab)
- 3) Bhatinda (Punjab)
- 4) Bikaner (Rajasthan)
- 5) Jaisalmer (Rajasthan)
- 6) Jamnagar (Gujarat)
- 7) Kanpur (UP)
- 8) Allahabad (UP)

IV. Remote/Strategic Area Airports

- 1) All airports in North-East States except Guwahati & Bagdogra
- 2) All airports in Jammu & Kashmir except Jammu
- 3) Airport in Lakshadweep
- 4) Airports in Andaman and Nicobar Islands