

UDAN 2 to link 73 airports, helipads

Air cover:The Centre will fund the scheme partly from the dividend paid by the Airports Authority of India.

The Centre on Wednesday said 73 underserved and unserved airports and helipads would be connected under the phase 2 of the regional connectivity scheme UDAN.

Of the 90 proposals awarded to provide flight connectivity to more than 300 regional routes, Interglobe Aviation, the parent firm of IndiGo, was awarded a maximum of 20 proposals followed by SpiceJet with 17. Jet Airways won 4 proposals.

“The scheme will provide around 26.5 lakh seats per annum that will be covered with [an] airfare cap of Rs. 2,500/hr of flying,” said R. N. Choubey Secretary, Ministry of Civil Aviation.

“In addition, around two lakh RCS (regional connectivity scheme) seats per annum are expected to be provided through helicopter operations,” he said.

The States with maximum number of airports and helipads which will see activation under UDAN 2 scheme include Uttarakhand (15), Uttar Pradesh (9), Arunachal Pradesh (8), Himachal Pradesh (6), Assam (5) and Manipur (5).

Some of the cities that would now be connected include Kargil, Darbhanga, Kasauli, Bokaro, Dumka, Hubli, Kannur and Pakyong, among others.

This was the first time bids were received from helicopter operators under the scheme.

Viability gap funding

These proposals would require a viability gap funding (VGF) of Rs. 487 crore per annum for fixed wing operations and Rs. 130 crore per annum for helicopter operations in the priority areas — which include the north-eastern and hill States, taking the total funding need for the scheme in phase 2 to Rs. 617 crore. In the first phase, this amount stood at Rs. 213 crore per annum.

The Centre said it had decided not to increase the Rs. 5,000 regional air connectivity levy charged from airlines flying on major routes to fund the UDAN scheme. It would now be partly funded by the dividend that AAI (Airports Authority of India) paid to the Government of India. “The Finance Ministry has agreed to fund the UDAN scheme through the dividend that AAI pays to the government every year,” said Mr. Choubey.

“We already have got Rs. 200 crore from AAI as dividend share for this year. Next year also, a similar exercise will be done,” he said.

Under the first round of RCS, which concluded in March last year, a total of 128 routes were awarded to five airline operators

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