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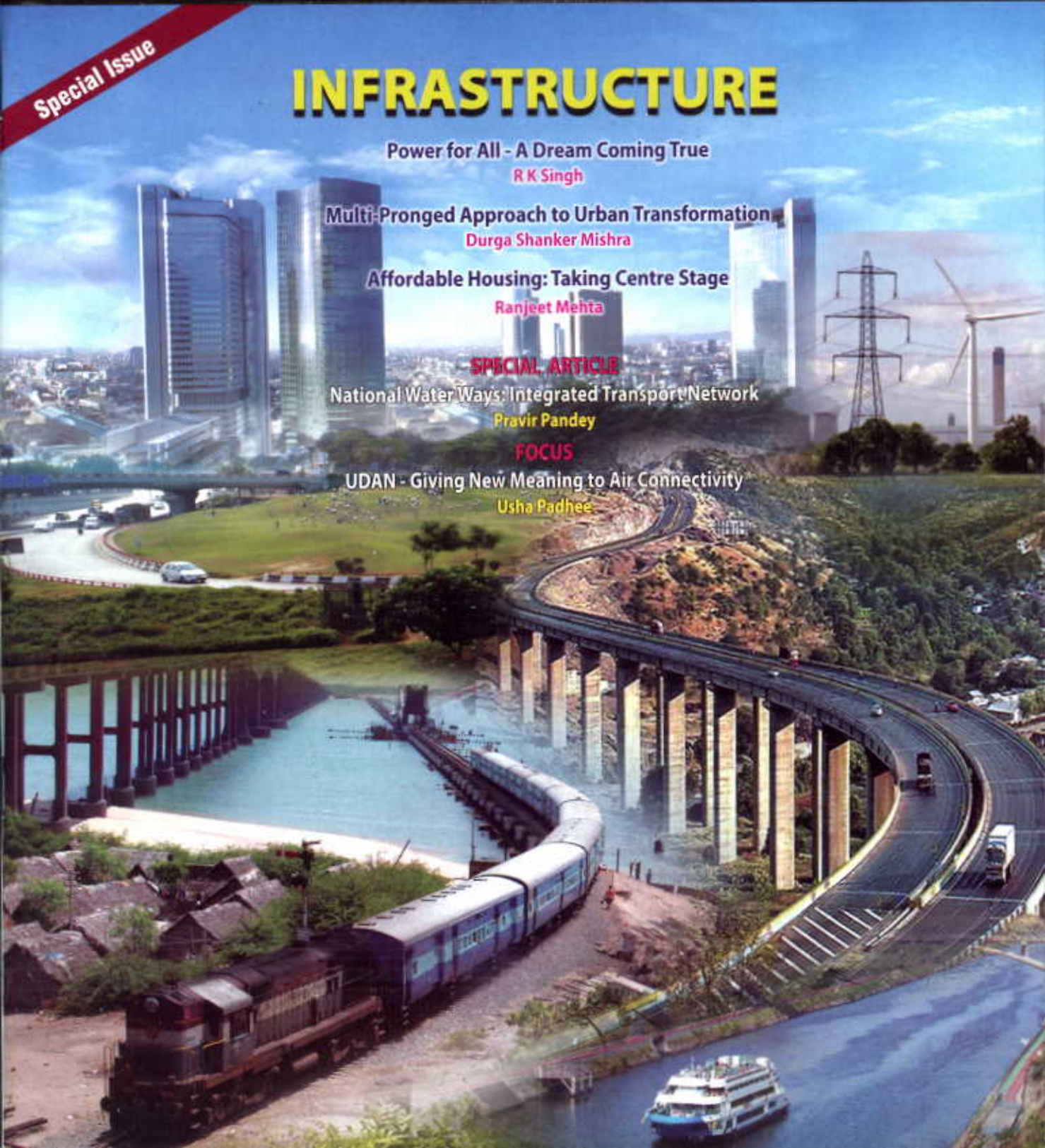
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UDAN - Giving New Meaning to Air Connectivity

Usha Padhee



UDAN – Giving New Meaning to Air Connectivity

Usha Padhee

It is about two years since UDAN was conceived. The Union Government's flagship regional connectivity scheme has, by now, become an important means for making low cost flying available to people in smaller Indian cities. In these two years, the scheme has brought first time air connectivity to people of 35 tier-II and tier-III cities (as on December 2018). As a new version of the scheme starts now to link tourist places and international destinations, it is time to look at the valuable lessons the scheme has thrown up for the civil aviation practitioners.

Since the last 10 years, air traffic has grown three folds in India and it has the potential to be among the global top three nations in terms of domestic and international passenger traffic. There is a need to promote the growth of the Indian aviation sector in a significant manner as the development of this sector has a multiplier effect on the economy. As per an International Civil Aviation Organization (ICAO) study, the output multiplier and employment multiplier are 3.25 and 6.10, respectively. In 2016 Government of India launched National Civil Aviation Policy (NCAP) to provide an ecosystem for the harmonized growth of various aviation subsectors like airlines, airports, cargo, etc. The policy envisions creating an eco-system to make flying affordable for the masses and to enable 30 crore domestic ticketing by 2022 and 50 crore by 2027, and international ticketing to increase to 20 crores by 2027.



Making Air Travel Convenient

UDAN (*Ude Desh Ka Aam Naagrik*) is a fulcrum under NCAP to make air travel convenient and affordable for the common man in small cities, and, through this, push regional growth. Currently, 70 per cent of air traffic in the country caters only to the metros. Since independence, India had only 67 airports with scheduled commercial operations till very recently. UDAN addresses the challenges relating to the issue of lack of infrastructure and affordability by upgrading the airports and cutting down on the cost of operations by extending various incentives to airlines and thus making air tickets affordable. The scheme is, therefore, crucial for ensuring that the Indian aviation sector's success story touches one and all and the tier-II and tier-III cities also join the aviation revolution.

Since the launching of UDAN in 2017, 61 new sectors have been

added till date enhancing the power of aviation network. More than a million passengers have travelled in these routes and the impact on the eco-system of aviation is tremendous by bringing first time flyers to the aviation market. New city pairs have been established by connecting smaller cities with metros jump starting the regional market.

UDAN works on an innovative model that cuts through the need to deploy huge resources and long gestation periods to make an airport operational. The scheme provides for revival and upgradation of existing airstrips in small cities where UDAN operations would happen. To reduce the costs of operations for airlines, concessions from Centre, States and airport operators are extended. This new approach not only makes air services available for limited population bases in smaller towns, it also makes the services affordable for them.

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Salient Features of RCS-UDAN

- The Regional Connectivity Scheme-UDAN intends to enable air operations on unserved routes connecting regional areas, promote balanced regional growth and make flying affordable for the masses.
- RCS-UDAN, which would be in operation for a period of 10 years, envisages providing connectivity through revival of existing air-strips and airports.
- Financial stimulus in the form of concessions from Central and State governments and airport operators and the Viability Gap Funding to the selected airlines to kick-off operations from Unserved/Underserved airports, so



that the passengers fares are kept affordable.

- RCS-UDAN is a demand driven scheme where the interested airlines and helicopter operators are selected through competitive bidding process.

- The selected airline operator of RCS-UDAN would have to provide a minimum of 9 and a maximum of 40 RCS seats on the RCS flight for operations through fixed wing aircraft. All seats upto 13 passengers for helicopters will be considered as RCS seats.

- The fare for one hour journey of approximately 500 km on a fixed wing aircraft or for a 30-minute journey on a helicopter would be approximately Rs.2,500, with proportionate pricing for routes of different stage length/flight duration.
- On RCS route, the minimum frequency would be three and maximum of seven departures per week in other than priority areas.

The scheme is, however, fraught with implementation challenges. The initial focus of the scheme was to select airline operators through a bidding process that would be transparent and fair. It was the key to generate confidence among the airlines.

In the first two rounds of UDAN, 56 airports and 31 heliports have

UDAN – A Win – Win For All Stakeholders

Citizens <ul style="list-style-type: none"> • Connectivity • Affordability • Jobs 	Airlines <ul style="list-style-type: none"> • Incumbents : creation of new feeder routes; bringing new passengers to aviation. • Start-ups : new opportunities to create scalable business models as regional airlines.
National Government <ul style="list-style-type: none"> • Jumpstarting the regional aviation market. • Metcalfe law : power of a network increases as new nodes are added. 	Airport Operator <ul style="list-style-type: none"> • Expansion opportunities. • More passengers for existing airports.
Regions <ul style="list-style-type: none"> • More trade and commerce. • Tourism circuits. • Development of remote areas. 	Original equipment manufacturers (OEMs) <ul style="list-style-type: none"> • India is expected to move from 450 to 1,200 aircrafts in a decade. • Growth of domestic manufacturers, India as an export hub.

Infrastructure for New India

Promising Affordable Air Travel

Ude Desh ka Aam Nagrik



102 operational airports since Independence. UDAN added 34 airports



Regional air connectivity to unserved & underserved airports at subsidized fare of ₹2,500 per hour

Source: P. Maheshwari, 2018

been added to India's aviation map. The Scheme is moving towards third round of awarding routes to connect the iconic tourism sites and priority areas to contribute to the growth of tourism and commerce. Many awarded routes would connect remote areas of north-eastern States as well as the left wing extremism affected areas. Be it Guwahati to Passighat (Arunachal Pradesh) or Dehradun to Pithoragarh (Uttarakhand), travelling time would reduce so dramatically that it would transform the lives of the people in the region. Affordable airfare not only facilitates travelling for trade but also for tourism and medical facilities. However, awarding of routes under the scheme is only the beginning of the journey. Preparedness of airports, readiness of airlines and involvement of

aviation sector is highly regulated due to its sensitive nature. Licensing of airports is a tedious process. Safety and security are paramount and the operations have to comply with required regulations. To address these challenges, the implementation mechanism needs to be strengthened. Airport Authority of India (AAI) is providing necessary support to State Governments in developing the airports, documentation for licensing, procurement of security and fire tender equipment, etc. In some Defence airports, Standard Operating Procedures (SOPs) have been worked out in consultation with Ministry of Defence. Though it took considerable amount of time, UDAN has been successful in motivating private airports to participate and extend benefits to UDAN flights. Today,

State Governments are equally important. There are many actors who have to fulfill their responsibilities in tandem.

Implementation Mechanisms

Though most State Governments came forward and signed MoUs with Government of India, their limited capacities demanded hand holding support from professional organizations. Civil

airports like Nanded in Maharashtra and Vidyanagar in Karnataka have become shining examples under UDAN. Plans are already afoot to take the Regional Connectivity Scheme (RCS) for tourist destinations and expanding the scheme for international routes based on the requests from the State Governments. This initiative would open more challenges as well as opportunities which need to be dealt with prudently.

Implementation challenges not only involve monitoring and assisting for revival of airports but also facilitation for obtaining Air operator permits for selected airlines and helicopter operators under the scheme. Few small airline operators who have bid under UDAN are facing teething problems due to their limited capacities. It is imperative for UDAN to work with small airlines which have potential to take the regional scheme to remote areas. Availability of qualified crew is also a major challenge for airlines and significant efforts are needed to create a pool of skilled professionals.

A positive outcome of UDAN also includes the regulatory framework for 'no-frill' airports and 'aircraft-centric security' approach which has cut down the cost of infrastructure and operations that will help sustainability of air connectivity to smaller cities. Desirable changes in the scheme have to meet the increasing aspirations and challenges in future. UDAN is poised to offer wings to the common man to fly, literally. □

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Air Connectivity Reaches Sikkim

The Pakyong Airport was inaugurated by the Prime Minister in Sikkim recently. This is the first airport in the Himalayan State, and the 100th airport in the country. Pakyong Airport is expected to greatly ease connectivity to Sikkim. In order to ensure that it is useful to the common man, this airport has been made part of the UDAN scheme.

Addressing a large public gathering on the occasion, the Prime Minister described the day as a historic one for Sikkim, and an important one for India. He said that with Pakyong Airport, the country has hit a century of airports.

The Prime Minister said that emphasis is being given to enhance both infrastructural and emotional connectivity in the entire North Eastern region, at a rapid rate. The Prime Minister said that out of 100 airports in the country today, 35 have been operationalized in the last four years.

