



Regional Executive Director  
Airports Authority of India  
NR/NER/WR/ER/SR

Airport Directors  
Chennai & Kolkata

**Sub: Incentives for International Air Connectivity (IAC) Scheme – reg.**

You may be aware that a scheme has been announced by Ministry of Civil Aviation (MoCA) in October, 2018 with a view to promote air connectivity between Indian states and international destinations under a scheme called 'International Air Connectivity (IAC) Scheme' (UDAN – International). The primary objective of this scheme is to assist the State Governments as they seek to facilitate/stimulate scheduled air connectivity between their respective States and international destinations as selected by them. With a view to supplement the scheme announced by MoCA, AAI had also been considering extending possible concessions.

2. AAI Board in its 184<sup>th</sup> Board meeting held on 30<sup>th</sup> October, 2018 considered and approved the scheme for offering incentives in the form of variable charges in landing charges for promoting international air connectivity through New routes, New flights and Additional flights as given below :

Sl.No	Category	Incentive proposed as a % of applicable landing charges*	
		NER	Other than NER
1.	New Route	90% for 2 Years	60% for 2 Years
2.	New Flight	50% for 1 Year	30% for 1 Year
3.	Additional Flight	50% for 1 Year	30% for 1 Year

\*To be converted into variable charges while implementation.

- Proposed incentives will be applicable from 01.11.18 for the New Routes, New Flights and additional flights introduced there from.
- Incentive Scheme will be valid till 31.03.21 and benefit under the scheme will be coterminous with 31.03.21.
- The above incentive are applicable only at chosen IAC airports.

Contd...2

3. The term New Routes, New Flights and Additional Flights are defined as under :-

- i) **New Route** – A passenger schedule flight to a new destination that is currently unserved at AAI managed airports by any airline (unserved by the qualifying airlines for the previous twelve months).
- ii) **New Flight** – A passenger schedule flight introduced on the existing route by an airline (not operating on the same route for previous twelve months) irrespective of other airline(s) already operating on the same route.
- iii) **Additional Flight** – A passenger schedule flight added on the existing route(s) by the existing operating airline(s), subject to total number of flights on existing routes are less than 14 frequencies per week.

4. It is requested that necessary action may be taken by the REDs in respect of International Air Connectivity (IAC) Airports/Routes falling under their Regions. While implementing the scheme, the applicable landing charges shall be converted into "Variable Landing Charges" after applying the respective incentive rate. All correspondence regarding billing and realization of charges under the scheme shall be only with reference to "Variable Landing Charges" which is a derived rate after applying the incentive on applicable base landing charges.

Yours faithfully,



**[G RAVICHANDRAN]**  
**Executive Director (JVC & Tariff/IA)**

**Copy to:**

1. OSD to Chairman, Member (Fin/ANS/HR/Ops/Plng)
2. ED(RCS)/ED(F)-I/ED(F)-II
3. Company Secretary – w.r.t.I.O.N. No.SEC1.1.184/541 dated 19/11/2018
4. GM(IT)-with the request to upload on AAI website