

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1244
ANSWERED ON:31.07.2000
SUBSIDISE AIR TRAVEL
AMBATI BRAHMANAIAH

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government have any proposal to subsidise air travel to district headquarters;
- (b) if so, whether high cost of ATF has made air travel costly;
- (c) whether the Government propose to encourage the linking of district headquarters with State capitals by airlinks;
- (d) if so, whether any proposal have been worked out; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a),(b), (c), (d) and (e): Price of ATF is a major component of the cost of air operations. With a view to encourage small aircraft (turbo-prop) operations to connect smaller and non-metro cities, at a reasonable cost, it has been decided to provide ATF to such aircraft at international prices and notify ATF as a 'declared good' under the Central Sales Tax Act, 1956 capping levy of sales tax at 4%. Airlines are free to provide air services to specific places depending upon the traffic demand and commercial viability subject of course to compliance with the Route Dispersal Guidelines, which provide for certain minimum operation in specified category of routes.