

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:3757  
ANSWERED ON:23.12.2004  
SUBSIDY AND INCENTIVES TO ALLIANCE AIR FOR NER  
Sarman Dr. Arun Kumar

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) the amount of subsidy and incentives granted to Alliance Air towards running of ATR aircraft in the NER including the sources of subsidy;
- (b) whether it is mandatory for this to make airline, Guwahati a regional hub of NER and for providing proportionate share of employment to North Eastern youths as well as for concessional fare;
- (c) if so, the details thereof; and
- (d) if not, the objective of granting such subsidies and conditions laid therefor?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION ( SHRI PRAFUL PATEL )

(a): The Department for Development of North East (DONER) has agreed to provide a budgetary grant of Rs. 35 crores per annum to Alliance Air for operating services with leased ATR aircraft exclusively in the North East.

(b), (c) and (d): The MOU signed between Alliance Air and DONER envisages that Guwahati shall be made primary operational base for improving connectivity to airports in the North Eastern region by Alliance Air. Accordingly one ATR aircraft has been based at Guwahati with effect from 28th July, 2004 which has led to improved connectivity to/from and within North East. There is no specific provision in the Memorandum of Understanding (MOU) for employment/ concessional fare for any specific region. The objective of granting subsidy is to improve connectivity in the North East region. After the deployment of ATR aircraft, Indian Airlines/Alliance Air have added 1954 seats/week on the north-east routes. Further, the Indian Airlines/ Alliance Air fares on these routes are in any case lower than the fares on comparable sectors in rest of the country.