Regional Connectivity Scheme (RCS)

Why in news?

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The Ministry of Civil Aviation released the Regional Connectivity Scheme (RCS) with the objective of facilitating regional air connectivity by making it affordable.

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What are the key features of the scheme?

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- The airfare per RCS seat will not exceed Rs 3,500 and will be determined based on the flight distance.
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- It will not be subject to any levies or charges imposed by the airport operators.
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- The selected airlines will have to commit 50% of the seats on RCS flights as RCS seats.
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- The number of RCS flights to be operated in a week must be at least three and at most seven.
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- Benefits under the Scheme will be available for **a period of 10 years** from the date of its notification.
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How will it be implemented?

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- **Guiding principles** - RCS will be made operational only in states and at airports which are willing to provide concessions required under the Scheme. A Regional Connectivity Fund (RCF) will be created to subsidise operations under the RCS. The RCF will be funded by a levy or fee on certain

domestic flights, at rates to be notified by the Ministry.
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- Financial support to airlines will be provided in the form of\n
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    - Concessions by central and state governments such as reducing excise duty on aviation fuel,
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    - Concessions by airport operators such as not levying landing and parking charges, and
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    - **Viability gap funding (VGF)** will be provided to the selected airline operators from RCF, and state governments will be required to reimburse the applicable share. VGF will be provided for three years from the date of commencement of operations of such RCS flights.
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- The Scheme will be applicable to RCS airports and helipads. The list of RCS airports and helipads will be published after consultation with the state governments. If an airline operator wants to connect an airport not in the published list, they can approach the implementing agency (Airports Authority of India) with an expression of interest.
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Source: PRS

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