

PUBLIC PRIVATE PARTNERSHIP

PROJECT PROPOSAL

(UNDER CHALLENGE FUND)

SPAN

Small Plane Air Network

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MISSION STATEMENT

As the name indicates, its a proposal to connect various Districts in Karnataka by Air for not only the purpose of responsive & efficient governance but also for Tourism and medical emergencies, under PPP model.

-----SPAN

The above mission is proposed to be achieved under Public Private Partnership mode in which the infrastructure existing at Government Flying Training School (GFTS), Jakkur, will be utilised trough a private partner, who will have the expertise in all types of air operations.

In other words the infrastructure will belong to the Government and the services to utilize that infrastructure will be provided by a private partner.

1. PREFACE

That SPAN is a proposal to connect various Districts in Karnataka by Air for not only the purpose of responsive & efficient governance but also for Tourism and Medical Emergencies.

Air connectivity in general evokes the thought of large aircraft operating through large airports, hence connect any small town/city by air becomes a gargantuan exercise of acquiring hundreds of acres of land to make a conventional airport to land these aircraft.

It is interesting to note that, most of the times air connectivity required is limited to a few people (Ministers, Bureaucrats, Businessmen) who want to quickly visit a place and return to the major town the same day. For this the usage of small aircraft may be more appropriate as they can operate from small airstrips which can be made available on the outskirts of all small towns and cities, very economically.

Hon'ble Ministers need to visit various Districts almost twice a week. As on today, they travel either by road or rail. Both are time consuming and roads happen to be dangerous.

Moreover the security of Ministers is a concern since each District Police has to give them escort and pilot where even they pass from, till they reach their destination. It is not only risky but a substantial drain on resources - be it man-power.

Helicopters operations being a very high cost operation make it economically unviable to transport government officials and ministers on a routine basis and are thus reserved only for very important occasions,

This project proposal is limited to small airplanes like 2 seater and 4 seater which have very low operational costs and thus are a viable and economic option for routine transportation of senior officials and ministers saving precious time which can be used for betterment of the public

At present Karnataka has many airports/airstrips/aerodromes which can be made operational with minimum efforts and economy to be operational to cater to these small aircraft/helicopters.

By using these existing infrastructures under PPP mode, we can have an extremely efficient system of air-transport of senior officers, Bureaucrats and Hon'ble Ministers to various Districts. A PPP partner can utilize the existing infrastructure of government to give expert aviation service to government in return to some charge.

The proposed PPP model of SPAN involves the infrastructure being that of government and the private partner providing the technical aviation expertise, aviation qualified manpower and allied services to execute the project.

2. PROPOSAL

There is a need for an air-transport which is efficient and economical. This can be achieved through 2 seater (Microlite), 4 seater (Cessna) planes. These will be cheaper than the present system of travel by Ministers and senior officers. The cost logistics are explained in following paragraphs.

3. PRESENT SITUATION:

- A.** GOK owns and is in possession of the aircraft and the various small airstrips in Karnataka.
- B.** GOK's is desirous of using the infrastructure at Government Flight Training School (GFTS), infrastructure at Jakkur, Bangalore, described below, with the backup of HAL Airfield, with the objectives as set forth in the preamble.

Infrastructure available at GFTS Jakkur:

1. One 4 Seater Aircraft, CESSNA 172, Reg No: VT-EHA.
2. Hanger for parking and maintaining the aircraft.
3. Engineering setup for maintaining the aircraft and facility.
4. Local Air traffic Control room with Base Radio Transceiver.
5. Ground handling equipment.
6. Office space for running the operations.

Infrastructure available at other airports

- a. This are fully functional airports in Karnataka where commercial and private air operations take place regularly. They are
1. Mysore
 2. Hubli
 3. Mangalore
- b. There are other small airports which do not handle schedule commercial flights but do handle private / charter flights. They are
1. Koppal (MSPL)
 2. Bidar (Air Force)
 3. Harihar (Birla Poly Fibers)
- c. There are other kutchra / semi prepared air strips which can be made usable for SPAN operations at nominal cost. They are
1. Hassan
 2. Chik maglur
 3. Raichur
- C.** PPP partner of SPAN shall participate for the purpose of this MOU only. This is a limited partnership under challenge fund implementation till the date MOU lasts. The PPP Partner shall have the expertise in;
1. Repair and overhaul of flight aircraft.
 2. Maintenance of aircraft.
 3. Operation of aircraft.
 4. Training of pilots.
 5. Training of aircraft maintenance personnel.
 6. Consultancy for creation of airstrips / airports
 7. Quality audit of maintenance and operations of aviation organizations.
 8. Shall be an ISO approved organization.

4. Purpose of this MOU

The purpose of the agreement is to enter into a PPP mode MOU wherein government makes available its infrastructure at GFTS (including plane and staff) to its PPP partner. The PPP partner shall satisfactorily run the activities and give services to government at fixed charges as explained in this MOU, in schedule, for the purpose of SPAN operations in the state of Karnataka and nearby states in India as per the requirement of GOK.

5. OBLIGATION OF THE PARTIES

5.1 Before the start of SPAN program.

(a) GOK's Part.

- (i) shall obtain all approvals from various authorities to make the GFTS facility operational.
- (ii) shall provide AASAA, full access to its GFTS facility to check and satisfy itself, the operability of the aircraft, Hanger and all the support equipment, records and approvals statuses, for the purpose of SPAN operations. The list of equipment and aircraft shall be a part of this agreement and shall be listed under "**Schedule – 2**".
- (iii) shall identify various airstrips and airports in Karnataka and render them operational by undertaking repair / retrofit / construction were required, with the technical consultation from AASAA. The list of airstrips and airports shall be a part of this agreement and listed under "**Schedule – 1**".
- (iv) shall lease or procure additional aircraft if required for the SPAN operation, now or in future, and also amend this agreement to include the acquisitions under "**Schedule – 2**".
- (v) Shall liaison with AAI for landing its flight under SPAN at airports maintained by AAI.

(b) PPP Partner's Part.

- (i) shall assist GOK for obtaining all approvals from various authorities to make the GFTS facility operational.
- (ii) shall check and satisfy itself, the operability of the aircraft, Hanger and all the support equipment, records and approvals statuses, for the purpose of SPAN operations and provide an acceptance report to GOK.
- (iii) Shall obtain for itself all permission and approvals necessary from any government/ semi government statutory organization, for the services to be rendered.
- (iv) shall provide consultancy free of cost to GOK to indentify various airstrips and airports in Karnataka and also provide technical consultancy to GOK, for the repair / retrofit / construction wherever required by GOK.
- (v) Shall submit an operational and organisational plan to carry out the SPAN operations after identifying various available resources which can be utilized at the operational airstrips for the safety and operations.

5.2 During operation of SPAN program.

(a) GOK's Part.

- (i) shall provide correct information on travel plans of the GOK VIPs / Officials to the GFTS control room at least 24Hrs in advance.
- (ii) shall make necessary security arrangements for the GOK VIPs / Officials, for their arrival and departure at GFTS, Jakkur.
- (iii) shall make necessary security arrangements for the GOK VIPs / Officials, for their arrival and departure at the destination place.
- (iv) shall assist PPP Partner in arranging uninterrupted access of their staff at the destination airports for the operations.
- (v) shall provide recourses for regular maintenance of the airstrips other than the operational airports under the supervision of PPP Partner.

(b) PPP Partner's Part.

- (i) receive information on travel plans of the GOK VIPs / Officials from the GFTS control room.
- (ii) mobilize staff and resources required for the flight.
- (iii) schedule the available aircraft for the travel of the GOK VIPs / Officials.
- (iv) liaise with the MET department for suitable weather conditions and obtain weather report for the day of travel.
- (v) file a flight plan with ATC Bangalore Airport and with ATC Chennai and obtain approval for the flight.
- (vi) liaise with Indian Oil Corporation to procure / arrange for required fuel for the aircraft at Jakkur and at the destination airport after checking the availability of fuel and arrange for transportation of fuel in time at the destination airstrip.
- (vii) liaise with airports to obtain landing and parking permissions of the aircraft when and where required.
- (viii) arrange and schedule the Qualified Pilot for flying the aircraft to destination and back.
- (ix) mobilize staff and equipment for safe operation at the destination airstrip when required.
- (x) confirm to GOK about the readiness of the operations and standby for further instructions.
- (xi) supervise maintenance of all airstrips other than operational airports to keep them in operational condition at all times.
- (xii) provide quality supervision of the GFTS premises, equipment and aircraft to maintain availability of the system and safety at all times.

6. Remuneration Structure to PPP Partner for its Services

The compensation / remuneration structure to PPP Partner shall be discussed and arrived upon during the course of approval of the project. The same has been explained briefly in the later part of this report.

7. Deliverables by the PPP Partner and its cost.

1. Control room operations

This will include positioning of aviation expert and data entry operators and relevant staff and Infrastructure like tables chairs, computers, fax m/c, tel, internet, etc. etc.

Appox cost – Rs ... / Month.

2. Ground handling support at airports other than Jakkur, which includes, Trained aviation staff, Technicians and helpers. Also a vehicle to transport fuel from Indian Oil Corporation / Aviation Fuel (100LL) to the destination airports.

Apprx cost – Rs ../month.

3. Providing licensed and certified pilot for flying the aeroplanes.

Appox cost – Rs ... / Month.

Adding A+B+C = Appox cost – Rs ... / Month.

Total cost for project period of 6 months =

Appox cost x 6 = Rs ... /-.

This amount can be paid to the private partner for it's services on successful delivery of the services on monthly basis.

8. Additionalities.

The above operation include only one flight per day. The costs involved in item a, b & C are fixed costs. Whether a flight takes place or not, this cost will not come down. Hence, in future for optimum utilisation of this “Fixed Cost”, we can think of increasing the number of flights per day. The only incremental cost will be the cost of fuel.

9. Conclusion

SPAN can be implemented on the above mention PPP Mode. Since it is on experimental basis, an aviation firm by name AASAA has come forward to implement this SPAN on mutually agreeable terms and conditions. It will be relevant to mention here that the inputs to prepare this whole project regarding costing and staff operations were taken from the executives of AASAA.

AASAA can be the PPP partner of SPAN for the purpose of this MOU only. This is a limited partnership under challenge fund implementation till the date MOU lasts. AASAA has expertise in

1. Manufacturing of light aircraft.
2. Repair and overhaul of flight aircraft.
3. Maintenance of aircraft.
4. Operation of aircraft.
5. Training of pilots.
6. Training of aircraft maintenance personnel.
7. Consultancy for creation of airstrips / airports
8. Quality audit of maintenance and operations of aviation organizations.
9. Weather modification and atmospheric research.
10. ISO 2001:2008 approved organization.
11. Approved by NSIC and small scale industries department, Government of Karnataka.

It is recommended that, it will be prudent and administratively useful if we take the services of AASAA during the experiment period. After the experimental phase is over, Gov can call for expression of interest or tenders, as the case may be. Presently we can enter into an MOU with AASAA on certain deliverables in lue of the services rendered by AASAA for the project period of 6 months.

10. PROJECT PERIOD:

Recommended project period for better understanding and efficient implementation shall be 6 months.

11. MOU under PPP:

A draft MOU is attached along with this project proposal for approval.
