

(b) to (e) Work for the construction of ROB at Edappally was terminated by the State PWD due to poor performance of the contractor. Revised cost estimate based on tenders for the balance work was received recently from the State PWD, which has been returned to them for calling fresh tenders as the tender premium quoted was very high.

Chaturvedi Committee on road sector

717. SHRI JABIR HUSAIN: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Chaturvedi Committee appointed by the Prime Minister has suggested measures to re-energise the roads sector and called for scrapping the controversial norm that limits the number of players that can be short-listed for projects;

(b) whether the Committee has also recommended over-arching powers to the Ministry, curbing the clout the Planning Commission enjoyed so far; and

(c) if so, the other main recommendations of the Committee and the steps being taken to implement them?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH) : (a) Sir, the Chaturvedi Committee has been appointed by the Prime Minister with the objective to resolve the procedural impediments to the National Highways Development Project (NHDP) as well as the need to take a holistic look at the financing need and arrive at a financing plan that balances the needs of the road sector and other priority areas of Government. The road sector projects continue to remain exempted from the requirement of short-listing of bidders under clause 3.5.2 of the revised model RGQ issued by the Ministry of Finance on 18th May 2009.

(b) Other than the modifications in the RFQ, RFP and MCA recommended in the Committee's report, the Government has also accepted the recommendation that the further amendments to RFQ/RFP provisions would be carried out by the Ministry of Road Transport and Highways (MoRTH), where recommendations of NHAI Board could be placed, where necessary. So far as MCA issues were concerned, the Government has approved the recommendation and set up an Inter-Ministerial Group (IMG) under the Chairmanship of Secretary, MoRTH with representatives of Department of Economic Affairs, Department of Expenditure, Planning Commission and Ministry of Law, as members. Where there is unanimity in the decision, the same would be put up to the Minister, Road Transport and Highways for approval. In other cases, the matter will be then placed before an Empowered Group of Ministers (EGoM) comprising of Finance Minister, Road Transport and Highways and Deputy Chairman, Planning Commission.

(c) The details of the other main recommendations made by the Committee and since approved by the Government are given in Statement (See below) and have already been conveyed to all concerned including the NHAI.

Statement

Main recommendations of the Committee headed by Shri B.K. Chaturvedi given in his report on-“Revised strategy for implementation of the National Highways Development Project (NHDP)-Framework and Financing” as approved by the Government

- (i) Modifications to the existing MCA, RFQ, and RFP documents for the road sector, as per details given below:-
 - a. Termination Provisions in Road Concession Agreements **(Para 5.1.1)**.
 - b. Exit Policy for (Developer) Concessionaire in MCA. **(Para 5.1.2)**.
 - c. Issue of Security to Lenders in MCA **(Para 5.1.3)**.
 - d. RFP Provisions-Forfeiture of bid security of bidders on account of non-responsiveness **(Para 5.1.4)**.
 - e. Eligibility of Applicants/conflict of interest as per RFQ provisions-common shareholding levels **(Para 5.1.5)**.
 - f. Eligibility of applicants/conflict of interest as per RFQ provision-Continuation of conflict of interest **(Para 5.1.6)**.
 - g. Associate-definition in RFQ thereof **(Para 5.1.7)**.
 - h. “Threshold technical capability” “Eligible projects” (TTC) in latest RFQ **(Para 5.1.8)**.
 - i. Increase in Equity Grant (VGF) to 40% by merging 20% equity and 20% O&M Grant into Equity Grant **(Para 5.1.9)**.
 - j. RFQ process-project wise pre-qualification be substituted with annual/periodic pre-qualification **(Para 5.1.10)**.
 - k. Premium provisions under RFP/MCA **(Para 5.1.11)**.
- (ii) Issuance of the RFQ and RFP for the road sector projects after incorporating the recommendations made by the Committee in the Model RFQ and RFP documents issued by the Ministry of Finance, as referred to at clause 1 (i) above.
- (iii) Further amendments to RFQ and RFP provisions, where necessary, will be carried out by the Ministry of Road Transport and Highways (MoRTH) on the basis of recommendations of the NHAI Board.
- (iv) Setting up of an Inter-Ministerial Group (IMG) under the Chairmanship of Secretary, MoRTH with representatives of DEA, Department of Expenditure, Planning Commission and Ministry of Law and Justice to consider issues relating to MCA. Where there is unanimity in the decision, the same will be then put up to the Minister, Road Transport

and Highways for approval. Where there is no unanimity in the decision, the matter will be placed before the Empowered Group of Ministers (EGoM) comprising the Finance Minister, Minister of Road Transport and Highways and Deputy Chairman, Planning Commission. The EGoM will also consider and take decision on all issues where there is no unanimity in committees at the level of officers and which do not require approval of the Cabinet/CCI.

- (v) Continuance of endeavour to award projects within the available overall budgetary ceilings, as per the detailed Work Plan for the current year (2009-10) for 12,652 Km. presented by the NHAI to the Committee.
- (vi) Recommendations made by the Committee as regards the 'Modes of Delivery' and the 'Financing Plan' approved with the proviso that the financing plan for 2010-11 onward would be considered by the Empowered Group of Ministers for further action, including such changes to the work plan as may become necessary.
- (vii) Carrying out implementation of road projects on all the three modes of delivery *viz.* BOT (Toll), BOT (Annuity) and EPC (Item Rate Contract) concurrently rather than sequentially. Roads below a certain threshold in terms of traffic do not merit testing on BOT (Toll) as the process only leads to delays in implementation and award. Hence, a road not found *prima facie* suitable for BOT (Toll) can be implemented directly on BOT (Annuity) Subject to the overall cap as envisaged in the Work Plan. The decision of shifting a project from BOT (Toll) to BOT (Annuity) would be taken by the IMG chaired by Secretary, MORTH and approved by Minister, Road Transport and Highways.
- (viii) Before implementing a project on EPC basis, it will be compulsorily tested for BOT (Annuity) and only if unacceptable bids are received then only the project will be awarded on EPC basis. Normally, an Annuity bid working out to an Equity IRR of up to 18% will be acceptable as per these norms. However, in the event of bids exceeding the Equity IRR of 18%, the same will be bid out on EPC. In case of difficult areas having law and order problems, security, inhospitable terrain etc., a bid working out to an Equity IRR of up to 21% will be acceptable considering the risk premium of 3%, on case to case basis. PPPAC will be empowered to give approval for projects to be moved from Annuity to EPC where acceptable bids have not been received.
- (ix) In case of projects under NHDP Phase IV, if the traffic is less than 5,000 PCUs, the project will directly be taken up on EPC. For the specific EPC km lengths recommended in the Work Plan, specific EPC packages will be presented before the existing EFC in the MORTH for approval.
- (x) Based on the feasibility report, the projects would be tried first on BOT (Toll) and in case of non-viability/poor response, the same would be shifted to BOT (Annuity) failing which

on EPC. For the projects where NHAI is not able to get bids, the process of preparation of detailed project report may be initiated immediately to save time in case such projects are required to be taken up on EPC.

- (xi) Empowering the Board of NHAI to accept single bids after examining the reasonableness of the same.
- (xii) Raising of overall VGF cap of 5% to 10% for the entire six-laning programme, and consideration of individual projects in low traffic GQ stretches with VGF up to 20% within an overall cap of 500 Km out of the 5080 Km of the Phase-V programme yet to be awarded.
- (xiii) Funding of the NHDP Projects under SARDP-NE and in Jammu and Kashmir with Additional Budgetary Support (ABS) over and above the cess that the Government provides to NHAI on a yearly basis.
- (xiv) 'In Principle' approval of the Government Support to the NHAI for:-
 - a. Issuance of Tax exempted bonds.
 - b. Guarantee cover to the Borrowing Plan of NHAI.
 - c. Out of the borrowing approval of Rs.30,000 crores earlier provided to Indian Infrastructure Finance Company Limited (IIFCL), Rs.10,000 crores under the fiscal stimulus package will be transferred to NHAI, as per its borrowing requirement.
 - d. Assistance in negotiating non-sovereign multilateral loans from World Bank, ADB, JBIC etc. by providing back to back support, if necessary.
 - e. Providing a Letter of Comfort from Ministry of Finance confirming the availability of Cess at least till 2030-31.

Toll taxes from road users

†718. SHRI RAVI SHANKAR PRASAD:
SHRI SHIVANAND TIWARI:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether it is a fact that after handing over the construction work of the National Highways to the private sector in the country, a levy is being charged in terms of toll taxes from the road users;

(b) if so, the details thereof and whether Government has entrusted the responsibility of charging toll taxes with these private players;

†Original notice of the question was received in Hindi.