

Decline in market share of freight sector

789. SHRI TIRUCHI SIVA: Will the Minister of RAILWAYS be pleased to state:

(a) whether Government has taken any steps to rectify the observation of the CAG Report No. 31 of 2014 that there has been a substantial decline in the market share of Railways in the freight sector;

(b) if so, the details thereof, if not, the reason therefor;

(c) whether the Ministry has taken steps to fix norms for detention of wagons at each of the activity centers;

(d) if so, the details thereof, if not, the reasons therefor; and

(e) the other steps taken to improve the efficiency parameters of the freight sector?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MANOJ SINHA): (a) and (b) Yes, Sir. The market share of the Indian Railways in the freight market was impacted due to a number of factors which include hike in freight rates, growth and competition from alternative modes of transportation and tepid growth in core sector of economy.

The Government is committed to improve the share of Indian Railways in the freight market and this is reflected in the Budget announcement made during the current year. In Budget it has been announced that a review of tariff policy will be undertaken to evolve a competitive rate structure *vis-a-vis* other modes, permit multi-point loading/unloading and apply differentiated tariffs to increase utilization of alternate routes. The possibility of signing long term tariff contracts with our key freight customers using pre-determined price escalation principles will be explored which would provide predictability of revenues to IR and of costs to our customers. It has also been announced that the freight basket of IR will be expanded and container sector will be opened to all traffic (barring Coal and specified Mineral Ores). All existing terminals/ goods sheds will be given access to container traffic.

(c) and (d) Freight operation is guided by the demand for wagons from customers. It is not possible to fix norms for "permissible" detentions as the movement of freight is quite different from that of a passenger train which runs to a time table. However, free time for handling different types of wagons by freight customers in terminals have been issued by Railway Board.

Railways have been regularly taking required steps to overcome impediments to running of trains and detention of freight wagons. Some of them being:

- (i) Identification of bottlenecks of operations and development of required infrastructure to overcome those bottlenecks.
- (ii) Capacity augmentation works like introduction of doubling, 3rd line and 4th line has been undertaken and is a continuous on-going process to overcome saturation in traffic levels.
- (iii) To overcome the speed differential, high speed wagons are being inducted to enable running of freight trains at higher speed.
- (iv) To encash the empty movements of goods trains, new policy of Automatic freight rebate on empty flow direction, replacing the traditional empty flow direction rebate has been introduced to ensure empty movement direction are only incentivized and new traffic are tapped.
- (v) Development of Dedicated Freight Corridor is also one step towards the direction to ensure free and smooth flow of freight traffic, thereby enhancing the speed of freight trains.
- (vi) To control detentions in goods sheds due to freight customers, demurrage is levied on wagons. At terminals which perform poorly on regular basis, punitive demurrage are levied so as to ensure that the wagons are released at the earliest and next rake is placed for loading / unloading.
- (vii) Terminal detentions are continuously monitored and sustained efforts are being made to reduce terminal detention and to make the customers load/unload the wagons within the stipulated free time.
- (viii) To overcome the throughput issues, Railways are already running long haul trains by coupling two trains together as a single train to avoid path shortages.
- (ix) A separate Directorate, namely, Mobility Directorate has been created in Railway Board to look into all the issues leading to running of trains and to closely monitor the steps taken to overcome the issues for improved performance and also to look into time-tabled operation of freight trains.

(e) The Government has initiated various steps so as to increase the share of Rail in transportation market, some of these are as under:

- All covered wagons have been permitted for booking of traffic to two-point/ multi-point combinations and mini rake.
- Distance restriction applicable for mini rake has been relaxed from 400 to 600 kms.
- In order to provide economical and reliable transportation solution to short lead traffic, a revised scheme under Merry-Go-Round (MGR) system has been introduced.
- Port Congestion Charge leviable @ of 10% on all traffic originating from Port has been discontinued from 13.04.2016 up to 31.03.2017.
- Automatic Freight Rebate Scheme for traffic loaded in empty flow direction has been extended.
- In addition, the reforms, initiated by the Government in sectors such as Coal, Power, Steel and other industries is likely to give a push to activity in these industries resulting in increased originating traffic tonnage.
- In order to increase the market share of Railways, in conventional and non conventional traffic, schemes for investment in high capacity and Special Purpose Wagons through Public Private Partnership (PPP) have been introduced.
- Liberalized Wagon Investment Scheme - So far, 59 rakes by 15 firms have been approved for procurement out of which 30 rakes have been inducted and are running on Indian Railway's system.
- Wagon Leasing Scheme - Two companies have been registered as wagon leasing company, after which 12 rakes of Bogie Low Platform Container Flats (BLC) wagons were procured and approval for 4 new BLC and 2 Bogie Tank Wagon for Aluminum (BTAP) rakes have been accorded.
- Special Freight Operator Scheme - 3 rakes of Bogie Rail Airbrake (modified) Wagon Type (BRNA) wagons have been procured and running in Indian Railway's system.
- Automobile Freight Train Operator Scheme (AFTO) - Two companies have been registered as AFTO. Approval has been given for procurement of 12 rakes of Broad Gauge Bogie Covered Auto Car Carrier Type 'BCACBM' wagon. Out of which, 7 rakes have been procured and is running on ER. system.

- Private Freight Terminals (PFT) - To facilitate development of a network of freight terminal with private investments to provide efficient and cost effective logistics services with warehousing solutions, a scheme namely Private Freight Terminal was introduced. So far, 81 proposals have been received, out of which 34 terminals have been notified and are functional.
- In order to attract additional traffic to Railways and thereby increasing freight revenue, Indian Railways has taken several steps like Automatic Freight Rebate Scheme for traffic loaded in empty flow directions, Incentive Scheme for Freight Forwarders, improving throughput per train, running of long haul trains etc.
- Regular interactions are held with the stakeholders of the main bulk commodities carried by Indian Railways, so as to meet the requirement of the industry.

It is expected that these measures would enable the railways regain market share in freight segment in the years ahead.

Land acquisition for freight corridors

790. DR. KANWAR DEEP SINGH: Will the Minister of RAILWAYS be pleased to state:

- (a) whether it is a fact that land acquisition is not yet completed for Dedicated Freight Corridor (DFC) and Delhi-Mumbai Freight Corridor (DMFC);
- (b) if so, which are the pending sections; and
- (c) the main reasons therefor and the steps being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MANOJ SINHA): (a) and (b) Major portion of the 10,495 hectares of land required for the Eastern and Western Dedicated Freight Corridor (DFC) Projects has been acquired excluding Sonnagar-Dankuni Section of Eastern DFC. Compensation Award for 89.8% of the land to be acquired has been disbursed, except for Khurja-Saharanpur Section (Eastern DFC) and some other short patches on Eastern and Western DFC routes.

- (c) The main reasons for delay in land acquisition include delay in finalization of Arbitration/Court cases, processing time required for transfer of Government land, delay in environmental clearance for land situated in reserved forest/Sanctuary etc.