

The Telegraph

Govt treats symptoms in hope of luring investors

Didi willing to taste toll

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Mamata Banerjee

Calcutta, May 24: The Bengal government has decided to draft a policy to levy toll on state highways, signalling a departure from Mamata Banerjee's well-documented aversion to the imposition of user charges.

Officials said the shift was aimed at persuading reluctant private investors to develop roads in the state but added that they remained sceptical of the impact in the absence of industrialisation.

They traced the toll rethink to an undeclared acknowledgement that four years have been wasted and the government has woken up to two realisations.

One, the chief minister's pet highway development corporation has not been able to develop state highways in the past three years. Second, private participation can take place only if the investors are assured of returns in some form.

"Bengal has 4,000km of state highways. The majority of the stretches need urgent upgrade. The government has been speaking of plans to develop 3,000km of state highways in public-private partnership. But as the government has been silent on a toll policy, no private agency has shown interest," an official said.

However, the government officials as well as the representatives of some road construction companies felt that while a toll policy would be an encouraging step, it alone would not be sufficient.

Making land available and ensuring a free hand in run-

ning toll plazas are some of the issues on which the government has been unable to reassure potential investors. The biggest pull factor for fee-driven road developers will be the lucrative industrial traffic, which can pick up only on the back of industrialisation.

The West Bengal Highways Development Corporation, a company set up under the public works department in 2012 to develop state highways, recently engaged PricewaterhouseCoopers to frame the draft toll policy.

Once the draft policy is submitted, it will be sent to the finance department and then to the state cabinet for the final clearance.

Sources said the proposal — at least till the stage of framing the draft policy — had secured the approval of the chief minister, which is a step forward. Since Mamata took over as chief minister, the state government has refused to levy water tax and has waived bed charges in state-run hospitals.

But levying a toll on state highways is easier said than done.

RITES, a central agency, found in a 2012 survey that the width of most state highways ranged between 4 and 5 metres. The width is far narrower than the 10-metre threshold below which central rules do not allow user charges.

The hands-off land policy and a cash crunch are standing in the way of widening these roads.

“So, both the toll policy and land acquisition are required to attract private investors to develop state highways. Until land is made available, roads cannot be widened up to 10 metres and toll levied. So, a toll policy alone cannot attract investment,” an engineer in the public works department said.

Besides, the state government will have to be liberal enough to let the private agencies fix the toll on a stretch so that they can recover the investment within a stipulated time frame.

“It is the only way to enable private investors to recover their investments. The government has to be flexible in this area too,” said a senior manager of a company that specialises in building roads.

He said that if the state imposed a ceiling on the rates, it would make the projects unviable.

The state will also have to ensure that the private investors do not face problems in managing the toll plazas after developing state high-

ways. Such cash collection centres usually whet the appetite of local groups with political blessings.

In 2012, local Trinamul leaders were accused of arm-twisting a company collecting a user fee on NH2 on behalf of the National Highways Authority of India into recruiting their supporters.

“It took several months for the state government to resolve the issue. For around seven months, no vehicle paid the user fee on NH2. Such a situation has to be avoided,” a PWD official said.

But at the root of the fears of a tepid response lies the industrialisation drought. “Private investors get interested when there is industrial traffic on a stretch. The user fee is much higher for this kind of traffic,” an official said.

On NH6, which levies a toll as it is a national highway and does not fall under the state government, a passenger car has to pay Rs 90 when it passes the Dhulagarh toll plaza. A heavy vehicle carrying industrial material has to pay far more — Rs 565 — at the same toll plaza.