Private vehicles rise, public transport struggles, roads look helpless

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Cities in India are reeling under traffic congestion, new vehicles hit city roads every day. City planners do not know whom to move - vehicles or people. Although they know that a reliable, affordable and efficient bus service is the way, perhaps the only one. But they have no firm idea about how many buses cities need. “City planners have no clue. There are no uniform established criteria to decide the number of buses needed,” said Sunita Narain, Director General, Centre for Science and Environment (CSE) during a conference on funding strategies for bus transport organised by CSE.

Unlike India, bus penetration per thousand persons in the US and UK were 2.77 and 2.93 respectively in 2008. While Brazil tops the list in bus penetration with a score of 10.3 per thousand persons, India had a dismal figure 1.29 per thousand persons in 2009, which is even below than China (1.84). In India, bus operators alleged that buses are being penalized for carrying more people than a car does. In Delhi, according to RTES bus share dropped from 60% in 2000 to 40% in 2008. A World Bank study of 2002 confirms that the total tax burden per km is 2.6 times higher for public transport buses than cars in India.

Bus agencies and operators call for a relaxation of taxes but finance ministry sources indicated that running up to budget, reduction of tax burden is most unlikely, but some structural changes could be made. Bus agencies used to take contributions and loan from state and central government to meet capital cost to procure buses and pay as much as 14% interest. Recently, the Delhi government has asked the Delhi Transport Corporation not to take any more loans but opt for direct transfer from it to reduce the interest burden as DTC pays ₹1679 crore as interest payment. Sources said Union Urban Ministry might put some guidelines similar to Delhi arrangements to reduce the burden of state transport agencies.

The JNNURM reform agenda has included in its possible reform list a dedicated urban transport fund for tapping parking and advertisement revenue, motor vehicle taxation and earnings from other commercial development in the transportation infrastructure such as the terminals, bus stands etc. But very few cities have initiated this process so far. “The Centre probably will put thrust on states governments to build up such funds catering to city bus transport,” said a government official. CSE also suggested bus agencies had a viability gap of 15% to 20%, if advertising revenue could be taken into account, the viability gap might be lesserened. Bangalore Metropolitan Transport Company, which accrues profit can be a model. It charges ₹ 3000 per bus per month for advertising with a minimum advertisement period of 3 months. Removal charges of ₹1,000 per bus for every removal. Other agencies could apply such revenue resource. Sunita Narain said, “In case of DTC, for aesthetic reasons advertising is allowed only on the rear wind screen glass panel of buses in Delhi. The estimated potential from this source is ₹100 crore. However, only ₹3 crore has been generated so far.”

Advertisement at present exists only on bus shelters where the revenue is shared between DTC and MCD on a 50:50 basis. In many cities corporations and bus agencies have that kind of revenue sharing adjustment. She added, “Buses should be added to the cohort of advertising as well wherein the entire revenue would accrue to DTC or state bus transport agencies.”

However, these proposal comes because the country having 0.53 million families living in homeless condition cannot afford a luxury to provide 23 sqm land to park a car.

Bus to reduce city congestion

During the conference Dr. Guruprasad Mohapatra, Chairman, Ahmedabad Janmarg Limited, said, “It stands to reason that the exponential growth of vehicles causes congestion and this needs to be reduced.” Presently, one of every 100 vehicles sold is a bus. In the capital, congestion is such that peak hour journey has dropped below 15 km per hour in more than 20% of the arterial roads. The statistic tells the story of congestion and pollution that cities face now. “A bus occupies twice the road space taken by a car but carries 40 times the number of passengers,” stated a study of CSE. Moreover, according to France-based International Energy Agency estimates, a bus can displace anywhere between 5 and 50 other vehicles allowing fuel savings and arresting pollution.

Injustice prevails

A study done by the CSE claims that given the number of registered personal vehicles in Delhi and considering 23 sqm of land being appropriate to park a car, more than 45 million sqm of land is needed for car parking. This means that in prime areas like Connaught place in Delhi, the rent of 23 sqm land can be as high as ₹65000 per month. But municipal laws make cars pay a penalty ₹4000 as ‘misuse parking charge’ which is paid once - resulting in not even ₹1 per hour. This is an injustice to the 0.53 million homeless families. It is not that the city transport planners are unaware of this.

Diseconomies of bus transport

Across cities, planners are in a race to set the target to increase the public transport ridership by 2020. Delhi Master Plan targets 80%. Pune mobility plan targets 80% while Kolkata sets 90% target on public transport ridership and so on. But they are not in a race to implement these targets. Instead, bus transport across cities has become awful. Public bus transport operators are overburdened with high costs of fuel and taxes. Only Bangalore Metropolitan Transport Company makes profit while others run a loss.

The net aggregate loss incurred by 34 state road transport undertakings (SRTUs) increased by 15.9% from ₹4.73710 crore in 2009-10 to ₹5.49228 crore in 2010-11. Staff and fuel costs together account for about 71% of the total costs. Poor maintenance and frequent breakdown aggravate the problems as Delhi shows 2.3 breakdown per 10,000 effective km while Mumbai records 1.3 breakdown for the same. As a consequence, bus transport ridership in Delhi has declined.

In Kolkata, “The condition of state-run buses is worse. Two city-based transport PSUs, CSTC and CTC, have their fuel bill

Buses are being actually penalized for carrying more passengers than cars. In Delhi, for instance, cars costing upto ₹4 lakhs pay a tax of ₹533 annually in Delhi, as compared to ₹13,765 that buses with a seating capacity of 60 passengers pay as annual tax. This needs to be corrected and reversed.
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**Railways’ ills cannot be cured by fare hike only, hold experts**

The last time railways fare was hiked in February 2002 by Nitish Kumar, the JD (Janata Dal United) supremo in the Bihar-led NDA government. Now it is for Congress' Pawan Kumar Bansal to do the same after a decade. But fare is not the only thing that troubles the railways today. Equally, if not more, important is institutional reforms as fare hike is not the ultimate solution to revitalize the system, say transport experts.

Nitish Kumar, however, kept the fares unchanged in 2003 just before the Lok Sabha election. In between the two dates, only the number of trains was raised, especially in the respective home states of the railway ministers.

Between 2002 and now, four railway ministers including Mamata Banerjee who used to call it common man's budget while Lalu Prasad casting himself “friend of people” refused to pass the burden on the passenger. Such a stand has an obvious political angle.

“Meanwhile, the railways bled with losses on passenger services increasing around Rs 25 billion a year that the ‘aim admi’ was in any case paying for,” said a former railway board member.

Railway finances have been dwindling under surging fuel costs and wage bills. In the current fiscal, the country’s Railway has downsized its plan expenditure from the targeted Rs 61,000 crores to Rs 51,000 crores. It has also gone slow on replacement of worn-out equipment, updating of operation and maintenance activities and of efforts to upgrade safety and passenger amenities.

It all shows up. When India started superfast trains running at a speed of more than 300 km per hour, Indian trains still run at a maximum speed of 130 km per hour. Its funds crunch also led operations with archaic signalling and safety equipment, worn-out coaches and poor passenger facilities. Arun Mukherjee, a state government employee who commutes to Kolkata daily from Bandel said, “Educational expenses, food bill, house rent and medical expenses, bus and auto fare all have at least doubled in the last ten years. Why is railway fare excluded from the list? Fare hike is acceptable if trains are not held up for 3-5 minutes, and in some cases by 7-10 minutes, before entering the terminal station like Howrah and Sealdah.”

According to Subhas Thakur, Retired Additional Member, Traffic, Railway Board, “Fare hike is a burden on passengers. This year railways targeted to earn Rs 8,000 crores on account of revenue passenger. Even after taking this hike into account there may be a shortfall of about 20% of the target.” Earlier railways also hiked the freight charges to mop up an additional revenue of Rs 15,000 crores to compensate losses resulting in a rise of transport cost. It hurts the competitiveness of Indian industry.

Thakur advocated that fare hike was not the solution. A thorough institutional reforms was imperative to huge losses. He felt, “The Railway ministry should wash its hands in setting up railway infrastructure. Instead the Indian government should take such responsibilities. It should reject non-profitable projects which are not started yet so that it could get away from 20% of financial obligation.”

In Sweden, the railways ministry provides services only, while infrastructure like laying new lines, bridge and signaling systems are being handled by the Swedish government. Swedish railways ministry provides service job to a corporation which again offers the same to private companies on competitive bidding. Fares are being decided by a regulatory authority. But a railway board member stated that rail has become an instrument to earn political game. That is why unviable projects and unnecessary financial obligation are mounting as ministers are allowing projects at their will.