TRANSPORT

Private vehicles rise, public transport struggles, roads look helpless

■ *Bappaditya Chatterjee*

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 RITES 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 high 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 lessened. 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 ₹36000 per month. But municipal laws make cars pay a paltry ₹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 ₹(-) 4,737.10 crore in 2009-10 to ₹(-) 5,492.28 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 breakdowns 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.

Fig. in ₹	Revenue/Bus/Day March '11	Revenue/Bus/Day March '10	Cost/Bus/Day March '11	Cost/Bus/Day March '10	Profit/Loss per Bus per Day March '11	Profit/Loss per Bus per Day March '10
Ahmedabad MTS	3167	3338	7215	6717	-4048	-3379
Andhra Pradesh SRTC	6553	5658	6891	6205	-337	-547
Bangalore Metropolitan TC	5960	5425	5735	5113	225	312
Calcutta STC	1874	2112	7205	6298	-5330	-4185
Delhi TC	4579	4035	15434	19087	-10855	-15051
Maharashtra SRTC	8345	7455	8260	7233	84	232
Punjab Roadways	3582	2210	6805	4985	-3222	-2775
Uttar Pradesh SRTC	6493	5437	6648	5608	-155	-170

MoUD, GoI

up by more than ₹95 lakh per month. The five transport PSUs (public sector utilities) are no better. The cumulative loss of these state-run buses has gone up by ₹3 crore/month in the post the fuel price hike," confirmed a transport official.

Bengal's Joint Council of Bus Syndicates' Tapan Banerjee said, "We managed to put the maximum number of buses on the road since we had promised the chief minister. A private bus earns ₹6,500 per day, while its expenditure goes up to ₹ 7250 daily. Operators feel keeping buses idle is a better option. Operators would not fetch any income if they keep buses off roads. But there will not be any loss either."

Besides diseconomies, and without any uniform norms of bus requirement, 61 Mission cities got 15,260 buses under JNNURM. "In the absence of an established norm, the basis of such allocation was that in cities with four million population, 50 buses per lakh of population is needed. Cities with 0.5 – 4 million need 40 buses per lakh of population.

In 2010, the Ministry of Finance and ADB tool kit assessed numbers in relation to the overall system efficiency to be guaranteed, to be about 60 buses per 1 lakh of population," said Anumita Roy Choudhury, a transport pollution expert from CSE. Most cities' average fleet utilization is about 70%, according to Central Institute of Road Transport. Bangalore, Chennai and Chandigarh manage 90% fleet utilization while in Kolkata, it is a mere 55%. These are due to staggering fuel cost, capital cost and high tax burden.

Staggering tax burden

In cities, buses pay more taxes than cars. "Bus operations are being taken as a commercial enterprise. All cities impose motor vehicle tax on vehicles, road tax on vehicles and road/passenger tax on buses. Bus agencies pay property, excise, customs, road tax, VAT, motor vehicle tax, advertise-ment tax among others," said Prasanna Patwardhan, Chairman & Managing Director, Prasanna Purple Mobility Solutions Pvt Ltd, Pune at the sidelines of the conference. Citing a study, Sandeep Raizada, Senior Manager, UPSRTC, said, "The taxes are imposed on the personal vehicle at the time of purchase for a lifetime (15 years from the

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date of registration). But in case of buses, taxes are calculated annually on the basis of the number of passengers carried." 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.

Despite being a public transport service, buses are made to pay more taxes than the Delhi Metro Rail Corporation (DMRC). DMRC is exempted from many taxes while buses pay tax according to ridership. The study claimed this to be "a very perverse disincentive". Taxes should be corrected and reversed so that staggering cost gets reduce proportionately. Besides, many experts also claimed that there should be atleast 20 seats reserved for ladies and 10 seats for children in each bus.

A. Koteswara Rao, ED, Andhra Pradesh State Road Transport Corporation (APSRTC), stated that increase in bus fares could be detrimental as operational cost of two wheeler is cheaper than the minimum bus fares – ₹1 per km for two-wheelers as opposed to ₹5 per km in a bus. Transport pollution expert Anumita Roy Chaudhury advocated for personal vehicle taxation, parking charges, advertisement revenue to rationalize an increase in revenue potential. She said, "Apart from advertising revenue, if parking charges are hiked to at least ₹30 per hour, the parking revenue potential can rise to ₹1000 crore. Higher rates can fetch more. This will increase the revenue collection capacity of the government authorities. This can augment public transport fund." ■