

**PRESS STATEMENT OF SELVI J JAYALALITHAA,
HON'BLE CHIEF MINISTER OF TAMIL NADU – 14.3.2012**

The Union Railway Budget for 2012-2013 presented in Parliament by Thiru Dinesh Trivedi, Union Railway Minister, today (14.3.2012) lacks direction and has not attempted to provide any solution to the problems daunting the leviathan of Indian Railways.

The rail freight has been increased in a most undemocratic way just days before Parliament met for its Budget Session. Though the steep increase in freight rates averaging about 25% would garner about Rs. 20,000 crores in a year, this would have a severe adverse impact on the prices of essential commodities and thus pave the way for higher inflation. Already there are reports that Cement Manufacturers have passed on this freight increase to the consumers.

Closely following this, now in the Railway Budget the Railway Minister has announced an increase in passenger fares across the board not sparing even the common people. The increase ranges from 2 paise per KM to 30 paise per KM. Though it is sought to be justified on the ground that freight charges cannot cross subsidize passenger fares, it is a most inopportune time to tax the common people when they are already suffering from all round price rise. While camouflaging the attempt to increase fares in the form of a rounding-off mechanism in the fare structure, the rounding off is made to the next nearest five rupees. By this rounding off mechanism, even the price of a platform ticket has been increased from Rs. 3/- to Rs. 5/-. The Government seems intent on increasing the fares in all future Budgets which is evident from the fact that the Budget proposals include the appointment of a body of experts to advise the Government on establishing an independent Railway Tariff Regulatory Authority.

There ought to have been some out-of-the-box thinking in augmenting the finances of the Railways. The revenue surplus with the Railways has been deteriorating over the last few years. The Anil Kakodkar Committee had recently observed that the financial position of the Railways was at the brink of collapse and suggested that some concrete measures needed to be taken. The Committee had also assessed that an investment of Rs. 1 lakh crore would be required to set right the safety standards of the Indian Railways. Although the Railway Minister himself has admitted that he was not at all satisfied with the safety standards at present, there has been no clear enunciation of how the safety standards will be improved. No serious attention has been paid in the Budget to improving the safety standards and providing adequate investments for the same.

The Budget has been talking about modernization of Railway Stations through PPP mode. The Modernization of Chennai Central Station

through this PPP mode was proposed three years back, but nothing has happened yet. At this rate it is doubtful whether the current year's proposal will ever materialize. Similarly, doing away with unmanned level crossings by constructing Railway over bridge / Railway under bridge is being talked about since the past so many years. But the unfortunate fact is that meagre funds are being provided by the Railway Ministry to implement these projects year after year. The Budget also speaks of setting up a Special Purpose Vehicle named Rail-Road Grade Separation Corporation of India, but no concrete steps have been indicated. The modernization of the Signalling System has not been given due importance by the Railway Ministry which is clearly borne out by inadequate funding. Because of the old outdated Signalling System, railway accidents involving huge loss of human lives have become common.

Being a most industrialized State mobility is very important to develop industries in Tamil Nadu. Thus, introduction of new lines and new trains are essential to provide this mobility. Although the State Government has identified the need for introducing 16 new trains connecting important destinations within the State as well as with destinations outside the State, only 10 new trains have been proposed to be introduced in the current year - that too not as requested by Tamil Nadu. Thus, the request of Tamil Nadu for introduction of new trains on specific tracks has been ignored.

As far as Gauge Conversion is concerned, the request of the State Government in respect of 6 railway lines has also not been accepted. Similarly, electrification of the Villupuram – Katpadi section has been given the go-by.

75 additional suburban services have been sanctioned for Mumbai and 44 additional services and 50 new services for Kolkatta have been sanctioned. But Chennai has been given a raw deal with only 18 additional services.

Tamil Nadu has been asking for the Oragadam Rail Link with Avadi with State co-operation for a long time. But we are disappointed to see that the Oragadam project has not found a place in the sanctioned list. Tamil Nadu is disappointed to see that its long pending request for double laning from Villupuram to Trichy has not been included in the announcements.

The Budget mentions that 487 projects are pending and the Minister himself admits that they cannot be completed in a time bound manner due to inadequate budgetary support. Many projects in Tamil Nadu are moving at a snail's pace and languishing for want of funds.

It is disappointing to note that there has been no announcement of a dedicated freight corridor in the Southern Sector originating in Chennai. When the scheme was announced as far back as in 2006 itself in the Eastern and Western Sectors, the Southern Sector should also have been

included at that time itself, considering the importance of Tamil Nadu as a Manufacturing Hub.

In fine, the Railway Budget is a great disappointment to the common people of India. While only speaking of laudable objectives, there are no clear cut plans for implementing the same.

J JAYALALITHAA
Chief Minister of Tamil Nadu