



# MEMORANDUM

PRESENTED TO

**Dr. MANMOHAN SINGH**

HON'BLE PRIME MINISTER OF INDIA

BY

**SELVI J JAYALALITHAA**

HON'BLE CHIEF MINISTER OF TAMIL NADU

ON

25.12.2011

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## **1. MULLAI PERIYAR DAM ISSUE**

The Supreme Court of India by its order dated 27.2.2006 permitted the Government of Tamil Nadu to raise the water level of the Mullai Periyar Dam to 142 feet initially. The Supreme Court of India also concluded that the dam is safe.

The Government of Kerala, in order to nullify the Supreme Court order, amended its Kerala Irrigation and Water Conservation Act, 2003, on 18.3.2006. This Amended Act has fixed the FRL of the Mullai Periyar Dam as 136 ft. The Government of Tamil Nadu has challenged the constitutional validity of the Amended Act, 2006, of Kerala which is pending in the Supreme Court. An Empowered Committee was constituted by the Supreme Court to look into the various issues including the safety aspect of the dam and is expected to submit its report by February, 2012. However, the Government of Kerala, due to its own compulsions, carried on a propaganda to create panic among its people about the safety of the Mullai Periyar Dam and is declaring its determination to construct a new dam. A resolution was passed by the Government of Kerala in the Legislative Assembly on 9.12.2011 for lowering the water level to 120 ft., in addition to the demand for construction of a new dam and decommissioning the Mullai Periyar Dam. Further, the Government of Kerala recently claimed that 22 tremors had occurred in the last four

months at the dam site, but, according to the Indian Meteorological Department, there had been only four mild tremors in the last four months, that too, far away from the vicinity of the Mullai Periyar Dam site which did not have any impact on the dam. There is actually no possibility of the Mullai Periyar Dam breaching due to flood waters and collapsing since all eventualities have been factored in during the strengthening of the dam from the years 1980 to 1994. The Kallanai in Tamil Nadu which is 1900 years old, the Godavari and Krishna Barrages which are older than the Mullai Periyar Dam are still safe and no questions are being raised about their safety.

Because of the calculated fear mongering by the Government of Kerala, Tamil Nadu properties were attacked and destroyed at the dam site and therefore, the Government of Tamil Nadu had requested the deployment of the Central Industrial Security Force to safeguard the Mullai Periyar Dam and its appurtenant structures owned by the Government of Tamil Nadu in the leased area. The incidents and the remedial measures required were clearly brought out in my letters dated 23.11.2011, 29.11.2011 and 4.12.2011 seeking your personal intervention for advising the Government of Kerala appropriately and deploying the Central Industrial Security Force. Further, the Tamil Nadu Legislative Assembly on 15.12.2011, had unanimously resolved that the Government of Kerala should honour the Supreme Court order for raising the water level to 142 ft.; that the Government of Kerala should make

appropriate amendments to its "Kerala Irrigation and Water Conservation (Amendment) Act, 2006"; that the Government of Kerala should not obstruct Tamil Nadu from carrying out the remaining long term strengthening works so as to raise the water level of the dam to 152 ft. and conveyed the deep anguish of the people of Tamil Nadu over the resolution of the Government of Kerala passed in its Assembly to lower the water level to 120 ft.

The Government of Tamil Nadu would like to bring to the notice of the Hon'ble Prime Minister that despite the fact that there have been encroachments in the leased area as early as in 1979, no action had been taken by the Government of Kerala even on the request of the Government of Tamil Nadu to remove all the encroachments in the leased area.

Further, the Government of Tamil Nadu is shocked to note that the National Disaster Management Authority functioning under the Chairmanship of the Hon'ble Prime Minister has on 12.12.2011 unilaterally constituted a Team of Experts to prepare a Contingency Response Plan for the Mullai Periyar Dam and downstream areas with a view to mainly developing the submergence / inundation models for various possible scenarios like earthquakes, floods and / or combination thereof. This is nothing but succumbing to the subterfuge of the Government of Kerala in order to present a fait accompli to the Supreme Court of India and the Empowered Committee constituted by it, when the whole matter is

sub-judice. Therefore, the formation of the Team of Experts constituted by the National Disaster Management Authority is not warranted at this stage. The Government of Tamil Nadu has already requested the Hon'ble Prime Minister to order the withdrawal of the office Memorandum of the National Disaster Management Authority constituting the Team of Experts forthwith.

In these circumstances, the Government of Tamil Nadu requests the intervention of the Hon'ble Prime Minister on the following: -

- (i) To advise the Government of Kerala to honour the order of the Supreme Court dated 27.2.2006 for raising the water level initially from 136 ft. to 142 ft. and to make appropriate amendments to its Kerala Irrigation and Water Conservation (Amendment) Act, 2006 ;
- (ii) To advise the Government of Kerala not to venture upon the construction of a new dam, since the retrofitted Mullai Periyar Dam is safe and functioning well;
- (iii) To advise the Government of Kerala not to obstruct but to co-operate with the Government of Tamil Nadu in carrying out the remaining strengthening works suggested by the Central Water Commission and also the routine maintenance works;
- (iv) To advise the Government of Kerala to remove all the encroachments that have come up in the leased area;

- (v) To deploy the Central Industrial Security Force to safeguard the Mullai Periyar Dam and its appurtenant structures in the leased area; and
- (vi) To order the National Disaster Management Authority to withdraw the notification of the Team of Experts constituted for formulating a Contingency Response Plan for the Mullai Periyar Dam.

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## **2. NATIONAL FOOD SECURITY BILL, 2011**

The Government of Tamil Nadu has been successfully implementing the Universal Public Distribution System for the past several decades. Through this Universal Public Distribution System, the Government has been able to address the issue of providing food security for all without exception. In addition, the Government of Tamil Nadu has ordered the supply of rice free of cost to all ration card holders under the Universal Public Distribution System. This has been well received by the public. Apart from rice, wheat and sugar, special PDS commodities like Toor dhal, Urid dhal, fortified Palmolein and fortified Atta are also supplied to the public at heavily subsidized prices. Another unique feature of the Universal Public Distribution System is that no private individuals are permitted to run fair price shops. Only Co-operative Societies and the Tamil Nadu Civil Supplies Corporation, apart from a few Women Self Help Groups, are permitted to run the 32,977 fair price shops. The annual food subsidy cost for the State is Rs.5000 crores. There is a strong administrative monitoring, vigilance and grievance redressal mechanism operating in the State in respect of PDS.

In contrast, the Central Bill on Food Security is replete with confusion and inaccuracy. For instance, the proposed classification of target groups into Priority House Holds(PHH) and General House Holds(GHH) for the purpose of delivery of food entitlements will surely



invite sharp criticism and furious opposition from everybody concerned. The very basis of such classification is unscientific and unacceptable. Similarly, no reason has been adduced for restricting the coverage under Targeted Public Distribution System (TPDS) to 75% of the rural population and 50% of the urban population under the Central Bill. Like the BPL norms proposed by the Union Planning Commission, the categorization of households and arbitrary restriction of coverage as contained in the Central Bill will lead to controversy and make a mockery of providing food security to all. The most significant point is that forced implementation of TPDS as contemplated under the Central Bill will entail an additional financial burden of about Rs.1800 crores per annum with no statutory commitment forthcoming from the Government of India.

I would like to request you to kindly ensure that the supply of food grains to Tamil Nadu continues at the existing level of allocation of rice and to also follow the same pattern besides restoring the monthly allotment of kerosene. In a federal structure where the States are in close and direct contact with the people, the choice of designing and implementing popular welfare schemes is best left to the States. The Government of Tamil Nadu may, therefore, be exempted from the purview of the proposed National Food Security Bill.

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### **3. PROTECTION OF THE TRADITIONAL FISHING RIGHTS OF INDIAN FISHERMEN IN THE PALK BAY AND ENSURING THEIR SAFETY AND SECURITY**

In my letters dated 7.6.2011, 21.6.2011, 10.10.2011, 7.11.2011, 16.11.2011 and 26.11.2011, your kind attention was drawn to various incidents of apprehension, as well as attacks / harassment of the fishermen of Tamil Nadu by the Sri Lankan Navy, which has caused great unrest amongst the Fishermen Community of Tamil Nadu. There have been nearly 30 incidents of attack, harassment and apprehension by Sri Lankan Navy/miscreants against the fishermen of Tamil Nadu since this Government took charge in May, 2011. I have also requested that the attacks on our fishermen may be treated as a National issue since such attacks should be construed as attacks on citizens of India, i.e., attacks against India itself. During the forthcoming talks with Sri Lanka, which are proposed to be held in January, 2012, the Government of India is requested to strongly take up the issue of attacks against and apprehension of Tamil Nadu fishermen with the Government of Sri Lanka. All efforts must be taken to protect the traditional fishing rights of Tamil Nadu fishermen in the Palk Bay area and to ensure their safety and security.

## **Special Package of Conversion of bottom trawlers into Deep Sea Tuna Long Liners**

In the memorandum submitted to the Hon'ble Prime Minister of India on 14.6.2011, I had requested for a Special Package for conversion of bottom trawlers into deep sea tuna Long Liners suitable for deep sea fishing as this would reduce the trawling fishing pressure in the disputed waters of the Palk Bay area. The Government of India was also requested to enhance the subsidy given by the Marine Products Export Development Authority (MPEDA) for modification of existing fishing vessels to tuna long liners from the existing 50% to 90% as a special incentive for conversion of boats in the Palk Bay area (i.e., Ramanathapuram, Thanjavur, Pudukottai and Nagapattinam Districts).

The Government of India, in its letter No. F. No. 12014/4/ 2004-Fy (T-1) dated 2.8.2011, forwarded the proposal of Tamil Nadu to the Chairman, MPEDA, with a request to consider the proposal for an appropriate decision. However, no final decision has been taken in this regard as yet by the MPEDA or the Government of India. The Government of India is requested to sanction this immediately.

**A special package of Rs.10 crore every year for the State for the dredging of fishing harbours and bar mouths.**

The Government of Tamil Nadu had requested for an assistance of Rs.10 crore every year to take up dredging of fishing harbours and bar mouths each year. However, no reply has been received in this regard from the Government of India.

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#### **4. A SPECIAL FINANCIAL PACKAGE OF ASSISTANCE TO TAMIL NADU TO OVERCOME THE PRESENT FINANCIAL CRISIS**

We have inherited a fragile financial system with a huge unsustainable revenue deficit of over Rs.3,000 crores and an enormous debt burden of over Rs.1 lakh crores. Thus, the State is facing severe financial strain even after taking drastic measures by the present Government such as improving the State resources by the upward revision of VAT rates and State excise duty. The State is unable to come out from the debt trap, hampering the development works severely in the State.

The Government of India may consider providing additional financial support under specific programmes like Backward Regions Grant (BRG) or any other developmental schemes meant for infrastructure development, similar to the special package of assistance extended to the West Bengal Government recently by the Government of India.

The request for sanction of Debt Relief pertaining to reduction of interest rates on loans sanctioned from the National Small Savings Fund (NSSF) of the Government of India and write-off of outstanding loans due to various Central Ministries/Departments other than the Ministry of Finance is still pending with the Government of India. This must be implemented with effect from 1.4.2010 as recommended by the 13<sup>th</sup> Finance Commission. The Government of Tamil Nadu is entitled to

Interest Relief on NSSF loans to an extent of Rs.228 crores and Debt waiver relief of Rs.212 crores. The Government of India is requested to issue necessary orders in this regard at the earliest.

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## **5. SETTLEMENT OF PENDING COMPENSATION OF REVENUE LOSS ON ACCOUNT OF PHASING OUT OF CST**

Consequent to the reduction of CST from 4% to 3% with effect from 1.4.2001 and from 3% to 2% with effect from 1.6.2008, the Government of India agreed to compensate the revenue loss on account of the above reduction to the State Governments. The total CST loss compensation claimed by Tamil Nadu for the years 2007-2008 to 2010-2011, was Rs.6,497.62 crores. But, the Government of India released only Rs.2,636.50 crores leaving a balance of Rs.3,861.82 crores.

The pending claims are mainly due to the difference in the methodology adopted in working out the growth rate and also on the issue of double claims like revenue on tobacco and abolition of Form 'D'. Though the Government of India conducted a joint Group Of Officers meeting on 21.9.2010 and 15.10.2010, the issue is yet to be resolved, thereby depriving the State of this claim. The Government of India is requested to take a quick decision on these pending issues and decide on the amount to be released to the State at the earliest.

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## **6. A SPECIAL PACKAGE OF ASSISTANCE FOR THE FINANCIAL REVIVAL OF POWER UTILITIES**

The Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) is on the brink of financial collapse due to a huge accumulated loss of over Rs.40,000 crores and an unmanageable debt amounting to more than Rs.50,000 crores. The Government of Tamil Nadu has already sought a special financial relief package from the Government of India to save the power utilities from collapse.

### **a) Grant-in-Aid of Rs.455.16 crores for grid connected renewable energy**

TANGEDCO has achieved a capacity addition of 997.4 MW wind energy during 2010-2011. The 13<sup>th</sup> Finance Commission has recommended an Aid of Rs.455.16 crores to Tamil Nadu as incentive for the grid connected renewable energy. The incentive grant of Rs.455.16 crores may be released immediately.

### **b) Additional allocation of 1000 MW from the Central Pool**

Tamil Nadu is facing an acute shortage of power on account of mismatch in the demand and supply. About 1500 MW shortage is met by scheduled load shedding.

The planned capacity addition from Central Generating Stations such as NLC Stage-II Expansion (500 MW), Kudankulam Atomic Power Station (2000 MW) is getting delayed. As a result, the Government of Tamil Nadu requested an additional allocation of 1000 MW immediately.



**c) Special Financial Assistance under Clean Energy Fund for wind energy development**

In order to fully harness green power from wind energy generators, Tamil Nadu has to create infrastructural facilities for evacuating and transmitting wind power. A huge investment is required for this purpose. Tamil Nadu has sent a proposal for establishment of a transmission system for evacuating the wind power of the existing 6548 MW and the proposed 3900 MW of wind generation at a cost of Rs.4,169 crores in two phases. The Ministry of New and Renewable Energy has recommended the disbursement of Rs.2,752.40 crores under Phase-I. The above amount may be released early.

**d) Reduction of T&D losses and measures for supply side management**

It is proposed to undertake feeders segregation of about 2870 feeders in the State at an estimated cost of Rs.15,000 crores along with a high voltage distribution system (HVDS) to reduce the ratio of HT and LT line which is presently 4:1. The Power Finance Corporation / the Rural Electrification Corporation is requested to extend financial assistance for this T&D scheme for bringing the line loss below 15%.

**e) Additional allocation of power from the capacity addition under joint sectors**

TNEB has entered into a joint venture agreement for the execution of 3x500 MW with the National Thermal Power Corporation (NTPC) and also 2x500 MW with NLC. TNEB has been allotted 69.4% share of power from the NTPC-Tamil Nadu Energy Company Limited (NTECL) joint

venture and 38.7% from the NLC-Tamil Nadu Power Limited (NTPL) joint venture. 75% of the power may be allotted to Tamil Nadu from both these joint venture projects.

**f) Long term coal linkage for the new projects**

TNEB has proposed to establish the following three thermal power projects in the 12<sup>th</sup> Plan period:

- i) Ennore Annexe – 1x600 MW at Ennore Thermal Power Station (ETPS) as an expansion project.
- ii) Udangudi Project of 2x800 MW coal based supercritical thermal power plant.
- iii) Ennore SEZ project of 2x800 MW coal based supercritical thermal power plant in Ash dyke of North Chennai Thermal Power Station (NCTPS), Kattupalli at Vayalur village in Thiruvallur District, Tamil Nadu.

Necessary allocations for coal linkage for the above three projects are pending with the Ministry of Coal. The above projects could not get environmental clearance for want of long term coal linkage. Therefore the grant of coal linkage may be considered on priority basis in order to complete these projects in time.

**J JAYALALITHAA**  
**Chief Minister**  
**Tamil Nadu**

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