

Standing Committee Report Summary

Operation and Maintenance of National Highways

- The Standing Committee on Transport, Tourism and Culture (Chair: Mr. V. Vijayasai Reddy) presented its report on 'Operation and Maintenance of National Highways and Management of Toll Plazas' on February 8, 2024. Key observations and recommendations of the Committee include:
- **Delay in construction and inadequate funds for maintenance:** National Highway network increased by 54,858 km between 2014 and 2023. The Committee observed that the completion of hundreds of highways is running behind schedule, and recommended expediting the construction process. In 2023-24, the Ministry was allocated Rs 2,600 crore for maintaining highways, which was 1% of the Ministry's total budget. The Committee noted that given the vast length of highways, this amount is miniscule. It noted that several committees including the NITI Aayog have suggested that maintaining existing roads should be prioritised over constructing new national highways.
- **Slow progress in monetisation:** The Ministry targets to raise Rs 45,000 crore under the toll-operate-transfer (TOT) (Rs 30,000 crore) and Infrastructure Investment Trusts (Rs 15,000 crore) (InvIT) models. The Committee noted that in the past two years, only 15% of the targets have been met. It recommended that the pace of monetisation should be increased to cope with NHAI's rising debt. In the current model, risks of traffic and toll collection are passed on to the private concessionaire which has resulted in dwindling interest. The Committee noted that hybrid structures where the traffic risk is shared by the authorities and the assured minimum payments are made to concessionaires could alleviate some existing challenges.
- **Challenges in bidding:** The Committee noted that there is an uncertainty in the due dates of bids. This has serious ramifications on the development of projects. Tenders worth Rs 50,000 crore invited by NHAI are pending for 9-14 months. The Committee noted that concessionaires are incurring significant recurring costs due to postponements in the bid date. The Committee recommended that NHAI establish fixed and definite timelines for bids and their awards. At least 95% of continuous land stretch should be acquired and possessed at the time of bidding, to avoid delays.
- **Revenue increases due to FASTag:** The Committee noted an increase in the revenue collected due to the implementation of FASTag. This was owing to reduced time travel which resulted in more trips, and reduced leakages due to digitalisation. A proportion of the electronic toll collection is paid to the issuer and acquirer bank, National Payments Corporation of India (NPCI), and Indian Highways Management Company Limited (IHMCL). The Committee recommended that revenue collected from toll plazas should also be shared with the respective states.
- **Congestion at toll plazas:** Congestion at toll plazas is a common issue that leads to delays. The Committee noted that vehicle number plates are hallmarked and can be recognised by high resolution cameras. This can enable auto deduction of the toll from the bank account linked to the vehicle. The Committee recommended installing Automated Number Plate (ANPR) cameras in areas with more congested toll plazas. Until then, a vehicle that is unable to pay should be allowed to pass. A text message should later be sent for paying the due toll tax. In case of non-payment, an FIR may be issued. The Committee also suggested introducing express toll lanes for registered or frequent commuters who can pre-register for faster access.
- **Fraudulent toll collection practices:** The Committee noted that a bogus toll plaza was built on private land in Gujarat, which operated for about a year. It recommended that the Ministry conduct regular and independent audits of toll collection operations to ensure transparency and accuracy. It also suggested establishing stringent penalties for toll plaza operators who are guilty of intentional or repeated excess toll collection. To prevent building of fake toll plazas, the Ministry must conduct a national survey to identify such plazas and take strict action.
- **Encroachment:** The Committee observed cases of encroachment of right of way, potholes, and dumping of waste materials on highways. Encroachment is a prominent reason for accidents on national highways. It recommended that the Ministry survey and map highways using satellite imagery and GIS mapping to document encroachments. It also suggested introducing stricter penalties for encroachment violations, and streamline the legal process for swift resolution. It suggested introducing positive reinforcement mechanisms such as tax incentives or recognition for persons that comply with regulations and maintain clear right of way.

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