

Date: 04-01-2011

**FIRST REPORT OF THE COMMITTEE FOR
FIXATION OF FARES IN TRANSPORT SECTOR**

:::::

Government of Kerala by G.O.(MS) No.61/2010/Tran. dated 19-08-2010 notified in the Gazette, constitution of a Committee with Mr. Justice M. Ramachandran (Retired) as Chairman, Dr. D. Narayana and Mr. T. Elangovan as Members and the Transport Commissioner as Member Secretary to conduct a detailed study and make recommendations/suggestions to the Government from time to time for facilitating issuance of notifications envisaged under Section 67 of the Motor Vehicles Act, 1988 on specified matters, as referred to in the notification. The recommendations are expected to cover inter alia subjects like fixation of fare, rounding of fares, distance that could be traveled under minimum fare etc.

The Committee had held a preliminary sitting at Ernakulam on 14-10-2010. It had been decided to address the issue of fare revision pertaining to stage carriage services, in the first instance, and to invite objections and suggestions from interested parties. The Committee had received representations from a large

Dr

number of organizations and individuals. In the second sitting held on 07-12-2010 at Thiruvananthapuram, a proposal ^{was} ~~had~~ made that a method for collection of materials suo motu by the Committee also requires to be employed.

In the meanwhile, the Government had pointed out the necessity and requirement of an interim report pursuant to the representations for a fare revision as put forward by the Autorickshaw operators and Taxi operators. Evidently, the Government had taken serious notice of the difficulties faced by this sector, who had taken an extreme step of direct action highlighting their grievances. In response to the wishes made by the Government, especially for an interim report, the Committee had thought it desirable to hold a meeting to analyse the situation and come up with their opinion. A meeting consequently had been held at Ernakulam on 03-01-2011 in the aforesaid circumstances. Following persons were present:

1. Mr. Justice M. Ramachandran - Chairman
2. Mr. T. Elangovan - Member
3. Mr. T. P. Senkumar,
Transport Commissioner - Member Secretary

The Member Secretary had taken steps for ensuring participation of a fair cross section of the operators and representatives of workmen engaged in the industry. Grievances highlighted by them were heard. Of course, the representatives of the industry had offered to make available further details and figures for highlighting the necessity for protection of the said sector of the transport industry, in due course, when the matter has to be considered in detail. The Committee found that they were aware of the key role played by them in the transportation need of the State. The need for a responsible approach was brought to their attention as they were participants of a public utility industry. Perhaps they had grievances of their own. But, direct actions would have thrown the life of the people of the State out of gear and were also likely to tarnish the general image of the State as a hub of hospitality.

As could be gatherable from the notification (cited supra) the hike demanded in respect of fares were directly linked to the price of petrol and diesel effected

in July, 2009. The anomalies in the existing rates were required to be attended to. However, it may be pertinent to advert to the developments that by G.O.(MS)No.18/2010/Tran. dated 12-03-2010, the existing rates of hire charges of Autorickshaws and Taxis were revised marginally. But, however, the representations were to the effect that after such increase in rates, at least, on eight occasions the price of fuels had been increased and especially that of petrol, which was the fuel used by the majority number of Autorickshaws.

The Committee has been requested to make a detailed examination of the subject. This process may require a substantial study and is to take time, since the parameters, variables and several other factors are to be subjected to observation. The inputs from persons connected with the industry not only in the State but also from outside might be required to be gathered. Also the views and opinions of general public are to be taken due notice of before reports are finalized. In addition thereto, the policies followed by the Government in the matter of fixations, restrictions,

Mr

concessions and the like also will have to be taken notice of.

Simultaneously, if as a matter of fact, the demands urged are found to be just and proper and since the health of the industry as such and its existence also is a subject matter is to be specifically borne in mind, expeditious changes in the fare structure will be a prime requirement. The Government decisions can only have prospective effect. The first report, as an interim report, dealing with the demands of the Autorickshaw operators and Taxi operators is presented in the above background.

The Committee had the benefit of seeing an interim report dealing with computation of the price indices for Autorickshaw and Taxi operators (PITO) submitted to the Transport Commissioner of the State in December, 2010. It had been prepared at the behest of National Transportation Planning and Research Centre (NATPAC), Thiruvananthapuram. The report is exhaustive and concludes as following:

"The fare for Taxi services was fixed as Rs.7.0 per kilometer and that of Autos at Rs.5.50 per Km. as per the fare revision effected in March 2010. The Price Indices

ll

for Taxi Operations (PITO) moved from 119.04 in February 2010 to 126.01 as on 15th December 2010 showing an increase of 5.85 percent. The Price Indices for Auto Rickshaw Operations (PIARO) moved from 122.72 in February 2010 to 136.4871 as on 15th December 2010 showing an increase of 11.22 percent."

The representatives, who had appeared before us, pointed out that the figures as found relied on in the report were on the conservative side. Especially because of the road condition and explosion of vehicular transport, it had been indicated that to cover one kilometer, especially in the city area, it takes about twelve to fifteen minutes instead of four minutes, which was the notional figure followed, ^{including} ~~excluding~~ consumption of fuel.

As an interim measure, we feel that the fare of Autorickshaws and Taxis requires to be revised as given in the following table:

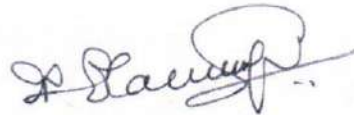
Class	Existing minimum charge	Proposed minimum charge	Existing rate per km	Proposed rate per km	Remarks
Auto	Rs.10.00	As per PIATO Rs.11.20	Rs.6.00	As per PIATO Rs.6.72	50 paise for every 1/14 Km
		May be fixed at Rs.12.00		May be fixed at Rs.7.00	
Motor Cab	Rs.50.00	As per PIATO Rs.53.00	Rs.7.50	As per PIATO Rs.7.95	
		May be fixed at Rs.60.00		May be fixed at Rs.8.00	

SK

In the matter of detention charges, no change is proposed as of now, although it had been pointed out by the representatives that it has been prescribed in an unscientific manner. The Committee recommends that apart from the above, the stipulations contained in S.R.O.254/2010 dated 12-03-2010 are to continue for the time being.



Justice M. Ramachandran (Retd.)
(Chairman)



T. Elangovan
(Member)



~~P. Senkumar~~
(Member Secretary)