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Build toll free highways

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10 February 2014

Online at <https://mpra.ub.uni-muenchen.de/61084/>
MPRA Paper No. 61084, posted 03 Jan 2015 22:55 UTC

Build toll free highways

By VARMA

Why it is necessary to build toll free highways

According to my knowledge there are 351 toll gates on national high ways and may be another 400 toll gates for outer ring roads, express high ways, bridges etc, in India.

There are 40 lakh trucks, heavy vehicle [out of 70 lakh vehicle according to 2011 data] that use these high ways daily and another 40 lakh cars, buses, vans and other vehicles [out of total 2.08 crore according to 2011 data] that use these toll roads and pay toll taxes at toll plazas.

The total toll fee that is being collected per year from all these toll gates/toll plazas is estimated to be over 2, 00,000 crores. This is my estimation. The value of this annual toll fee is about 2% of the GDP value.

* The percentage value of this total toll fees to the total value of goods and commodities that being carried by trucks through this toll gates will be around 6%.

That means the cost of any commodity invariably includes the toll fee that is being paid by trucks drivers/owners at the toll gates. In case of agriculture produce like cereals, pulses, fruits, vegetables the cost component of toll fee will exceed 10%. That means the agriculture prices are 10 % more costly because of this toll fees. Indirectly, it is the common man who is paying the lakhs of crores as toll fees at toll plazas.

If toll free highways are built the prices of agriculture produce will become cheaper by at least 10% or the farmers get 5% extra price for their produce and the people will get agriculture commodities at 5% less.

The ticket fares for travellers who go by bus will also get decreased

Similarly the fuel that is being wasted because of idle engines of vehicles at toll gates is estimated to be Rs. 40,000 crores. The wastage of fuel can be saved by removing toll plazas on highways. The total travel time will also decrease with the removal of toll gates on high ways. If the government builds toll free national highways, the common man can be saved from being fleeced indirectly at toll plazas

How to build toll free high ways?

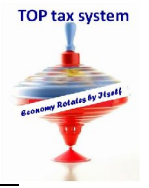
My suggestion for collecting funds to build toll free high ways

It is simple and easy. Tax the rich, save the poor

The government should Impose fixed annual toll tax/wealth tax on cars.

This toll tax on cars should be given exemption to taxi/cab service owners who own and run only one car for public transport.

So, individuals, who own only one car/cab and run taxi/cab service for livelihood, should be exempted from this toll tax/wealth tax.



This exemption should not be applicable to travel agencies which own and run more than one car/ cab.

My suggested toll tax formula for cars

S.No	Engine cc	Toll tax/ wealth tax per annum
1	800	Rs. 10,000
2	800 to 1000	Rs. 20,000
3	1000 to 1200	Rs. 30,000
4	1200 to 1500	Rs. 50,000
5	1500 to 2000	Rs. 100,000
6	2000 above	5,00,000
7	Imported cars	10,00,000

According to 2011 data the total registered cars and jeeps in India are 1, 92,31,000. This figure might have increased to 2,50,00,000 by now

The total revenues that accrue if the government imposes toll tax/ wealth tax on these cars will be around 40, 000 crore annually.

If the Central government allocates another 20,000 crore in the annual budget for high way construction and adds to this amount then the total available funds to build toll free highways would be 60,000 crore

By using these funds the government can build 6,000 KMs of toll free national highways every year.

Tax the rich, save the poor should be the primary policy of the Central Government to save the common man from being fleeced indirectly at the toll gates.

This policy would also encourage people use the public transport system more and it would decongest the city roads and ease the traffic problem to certain extent. It will also increase self employment to many in transport service.

Build the national highways in quick time

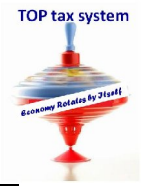
My suggested regulations that are to be incorporated in the contract schedules before awarding to contractors are ---

- 1] If corruption is entirely removed in awarding contracts and padding up of project cost is not allowed then the cost for laying 4 lanes national high way would be Rs 8 crore per KM (excluding land cost) and Rs. 12 crore (excluding land cost) for 6 lane national highways.
- 2] The acquisition of land for the national high ways should be made by the State Government through which the proposed highway construction takes place.
- 3] The construction of national highways should be in the hands of Central Government and maintenance of highways should be in the hands of State Government. The road taxes



Build toll free high ways

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collected from trucks, heavy vehicle, vans, and buses can be used for maintenance of roads by the State Governments.

4] To get additional revenues for maintenance of roads each segment of road can be allocated to corporate houses to brand the high ways in name of their products and giving franchise rights to set up hoardings at important junctions.

5] If the two lane highway is to be upgraded to 4 lane 7.5 acres per KM is enough. If 2 lane high way is expanded to 6 lane high way 15 acres per KM is enough

6] The compensation to the farmers should always be in two ways. One is cash payment at the rate of 4 times the value of land's market value. And the second compensation is like this. The State government should acquire 20 % extra land than actually required and allot the acquired additional land to the farmers along the sideways of national high way in proportion to the lost land.

For example if a farmer loses 5 acres of land he gets compensation for 4 acres and gets 1 acre land along the side of the national highway. If the farmer loses 1 acre land in acquisition, the farmer gets compensation for 80 cents of land and gets 20 cents of land along one side of national highway.

7] The farmer not only gets high compensation but also gets a high commercial valued land along the side of the high way. The farmers will come forward on their own to give their lands on their own to build the highway projects. They will become partners in these projects.

8] Every year 6000 KMs of 4/6 lane national highways can be added to the existing road work

9] The to-be laid road lengths should be divided into 30 km segments, rail over-bridges, river bridges and fly-overs.

10] For example the 6,000 Km road length should be divided into 200 segments each and in addition to these segments contracts for construction of bridges at rivers, railway lines and junctions should be auctioned separately.

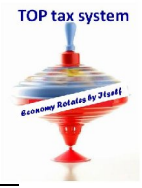
11] Giving and taking bribes, deliberate attempt of padding up of project cost and colluding with co-bidders at the time of bidding and in the construction stage should be made a highly serious crime and non bailable offence. A separate law should be enacted in the Parliament to give the government an absolute right to attach and confiscate all properties of the offender if he is found guilty

12] The contractor should complete his work within 12 months from the date of awarding the contract.

13] A penalty of 5 % of project should be levied per every month of delay over the given time of 12 months.

14] It should be made mandatory for the contractor to film every section, every part of the construction work every day and send it to the high way authority and put it on website.

15] If the project work is completed within the contract time of 12 months then additional 5% of project work should be given to the contractor as a bonus. The contractors, who



finished the projects within the stipulated time of 12 months, should be given first priority in the next year projects.

16] Before the contractor begins his work he should open a bank account in any nationalised bank and should spend every rupee on this project from this account only. This account should not be closed till the completion of the project.

17] All payments towards expenditure from this account to recipients' accounts should be made either through online transfers or cheque.

18] All payments towards raw materials, machinery, rentals, man power, service charges etc. should be made only through this account. No cash payments should be allowed for payments throughout the execution of this project.

19] The expenditure balance sheet should be put on the website for general public to know the status of project work and the spending on the project work on each day.

20] The expenditure balance sheet should be updated and put on the website every day. People should have the absolute right to know how their hard earned money is being spent for what and by whom. In this way the transparent spending and implementation of the road projects will eliminate corruption. This transparency in execution of the project will also ensure the highest quality of work.

21] This brings in a new era of accountability and transparency in spending of public money. People should also become the partner, administrator and watcher in spending their own money.

22] The contractor should construct and complete the whole project on his own and he should not be allowed to sub-contract the whole project to third party. Small pieces of works can be given to third parties but payments should be paid for the subcontracts from the main contractor's account only.

How road taxes, toll taxes, wealth taxes on cars are to be levied and collected?

1] The registration of all vehicles should be digitalised

The ownership rights of vehicles belonging to a person should be digitalized and recorded in his/her vehicle savings account

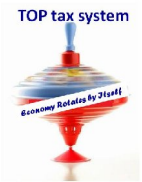
The government should give vehicles account to people who own vehicle or vehicles. There should be only one vehicles account for one person if he owns vehicles

Download and see a module vehicles account on the website - www.vijayavarma.com

You can also download the module vehicle savings account by clicking on these links

<http://taxreforms.net/wp-content/uploads/2012/06/Vehicles-Savings-Account-Module-VARMA.xlsx>

<http://vijayavarma.com/wp-content/uploads/2014/08/Vehicles-Savings-Account-Module-VARMA.xlsx>



What is vehicle savings account?

- 1] A person's Vehicle savings account will be handled by banks. There will be no need to have regional transport offices. This vehicles account can be handled by any branch anywhere in India.
- 2] It shall be utilised for registering ownership rights of all movable properties like vehicles.
- 3] A person's vehicles will be registered in his/her vehicle savings account
- 4] The ownership rights of vehicle[s] will be transferred from one person's **vehicle account** (manufacturer, dealer, and seller) to another person's **vehicle account** while purchase/sale/donation of these movable properties by the bank branch which handles the sellers account.
- 5] The ownership records will contain the vehicle's model, manufacturing date, engine number, chassis number, registration number, fitness certificate etc. The ownership rights of all vehicles will be transferred from one vehicle account belonging to manufacturer/importer/dealer/retailer, or other citizen to the buyer's account through **online just like money transfers in the present system.**
- 6] In the TOP Tax system people will not need to have separate vehicle registration certificates, fitness certificates, and insurance certificates for each vehicle he/she owns.
- 7] The bank statement of a person's **vehicle account** of his/her MSA, which contains the owning record of all his/her vehicles, will suffice for all his/her vehicles.
- 8] That means the bank statement of any person's vehicle account will hold the entire ownership rights of that person's all movable properties.**
- 9] Furthermore there will be no need to have separate RTO departments for registration and checking of vehicles in the TOP Tax system. The traffic police department will suffice to oversee all vehicles in promptly paying the road taxes and insurance premiums regularly.
- 10] The data on payment of road taxes collected from banks will ensure that the checking authorities can stop only the non tax- paying vehicles leaving the tax paid vehicles unstopped on the highways.
- 11] For buying or selling a person need not go to transport office. The transfer of ownership rights will be done by banks
- 12] The transfer of ownership rights will be done by a bank's branch in the presence of the seller and buyer within 5 minutes after receiving the consent letter from the seller and buyer separately.
- 13] The transfer charges or user charges taken by a bank branch for any vehicle is Rs 1000.



Build toll free high ways

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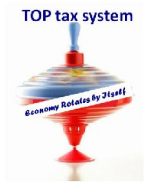
- 14] The details of the vehicle like model, capacity of engine, year of manufacturing, chases number, engine number, registration number etc., will be transferred from the seller's account to buyers account instantly.
- 15] There will be no paper documents like c-book etc. The ownership rights will be in digital form in vehicles account
- 16] Thus road taxes, toll taxes, wealth taxes, insurances premiums, penalties from wrong driving will be collected from this account by accounts.
- 17] The traffic police will send the traffic violations by the drivers to the bank branch which handles that vehicle account. The penalties will be collected by the banks and credit it in the government's account.

Disclaimer – The above suggestions and statement are born out my pure imagination and may not be practicable. All figures and facts mentioned above may not be true.

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