

## The new highways: on developing national waterways

As acquisition of land for national and State highways becomes scarce and the cost of construction of roads, flyovers and bridges goes up, the government is now exploring using water as a means of public transportation.

With the enactment of the National Waterways Act, 2016, the total number of national waterways is now 111. But providing infrastructure such as jetties, terminals, and navigational channels continues to pose a challenge.

Hence, the government has proposed an amendment to the Central Road Fund Act, 2000. The Central Road Fund (Amendment) Bill, 2017 implants 'national waterways' into the 2000 Act.

The Bill proposes using a part of the cess collected on high-speed diesel and petrol for the upkeep of the national and State highways for maintaining the infrastructure of the national waterways.

The Ministry of Road Transport and Highways, which tabled the Bill in July 2017 in the Lok Sabha, said national waterways provide a cost-effective, logistically efficient and environment-friendly mode of transport, whose development as a supplementary mode would enable diversion of traffic from over-congested roads and railways. It is argued that the waterways project deserves better regulation and development across the country.

In order to suitably develop national waterways, sustainable source of funding is imperative as budgetary support and funds from multilateral institutions are inadequate.

In a statement on objectives and reasons for the amendment, the Ministry said that "one of the sustainable sources of funding for the development of waterways is to earmark certain per cent of cess levied and collected on high speed diesel and petrol under the Central Road Fund Act of 2000". It has proposed to provide 2.5% of the cess on high-speed diesel and petrol for the development and maintenance of national waterways. This would accelerate the development of national waterways by utilising the funds generated by way of cess. It also offers incentives and certainty for the private sector to invest in the inland waterways transport sector.

At the current rates of levy of cess, about 2,000 crore per annum is estimated to be available for the development and maintenance of national waterways. The administration of the cess collected will also involve some expenditure. It is not possible to indicate the quantum of expenditure involved at this stage. However, the expenditure involved for this purpose would be met out of the budgetary provision of each year by the Ministry of Shipping, as approved by Parliament.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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