

Government of Himachal Pradesh  
Department of Transport

No. TPT-F(6)-1/2014-Loose      Dated: Shimla-02, the      5<sup>th</sup> December, 2014.

NOTIFICATION

The Governor, Himachal Pradesh, is pleased to order the formulation of Transport Policy, 2014 and the same is hereby notified/ published for general information of all concerned.

The Transport Policy, 2014 will come into force with immediate effect.

By Order,

Ajay Mittal  
Additional Chief Secretary (Transport) to the  
Government of Himachal Pradesh

# Transport Policy 2014

## 1. Scenario Overview

The importance of infrastructure (of which transport infrastructure is an important component) for sustained economic development, is well recognized. Adequate and efficient transport infrastructure lowers the transaction cost, has strong backward and forward linkages, facilitates the integration and interdependence of the different sectors by aiding quick and adequate movement of people and material; and directly impacts the quality of life and acts as a catalyst in the growth and development of an economy. Besides, use of transport is necessary for almost every individual to access educational facilities, jobs, markets, recreational facilities, and benefits under various welfare schemes; thereby making it an essential commodity. It is more so in the context of Himachal Pradesh where there is no other means of transport. Hence, it could be said that if horticulture and Hydro-power make up the body of the Himachal Pradesh economy, transport constitutes its—nerves. A well designed ‘Transport Policy’ could therefore play an important role in promoting balanced development of the Himachal Pradesh economy.

The first ever attempt in this direction was made in the year 2004 when a policy document that outlined the sectoral needs and the priorities was notified and implemented. Among the main objectives that it aimed at achieving were: spread of transportation network in rural areas by introducing the concept of 60:40 (requirement of 60% rural areas in all new routes) in the grant of stage carriage permits, introduction of environmental concerns in the entire transport operation (by introducing the requirement of four stroke engine autorikshaws, allowing tax rebates on multi-axle vehicles and electrically propelled vehicles) and introduction of IT in all the transport operations. By prioritizing these, the state had taken a lead nationally which even got acknowledgement in the design and implementation of ‘Vahan’ and ‘Sarathi’ softwares. While implementation of Vahan and Sarathi in the motor vehicles registration and licensing has done a great service, much now needs to be done in terms of up-gradation of these soft wares to account for the changes that have taken place overtime; to ensure full realization of taxes and

fees thereby eliminating the possibility of audit paras (non-incorporation of these changes has resulted in short realization which defeats the very need of computerization); and introduction of the latest technological developments like e-payment of taxes and fees and smart card based registration and licenses.

Among the key challenges faced by the transport policy today are:

- (i) With the rapid urbanization and increase in incomes, the demand for passenger transport has increased manifold generally as well as in the luxury segment. Though the state has taken a lead by getting a project for purchase of 800 buses and ancillary infrastructure sanctioned under JNNURM from the Government of India in 2013, identifying further initiatives required to cater to this need especially when providing connectivity to the remote localities is still an issue;
- (ii) Goods transport has not seen any new innovation in technology and operation in the past many years due to which the transportation of farm produce and industrial products at competitive fares remains an area of serious concern. Incentivizing modernization is thus a real challenge;
- (iii) A new opportunity of Public Private Partnerships in the development of transport infrastructure has emerged with many successful examples all over the country. Tapping this opportunity requires building a healthy business environment and effective long term policies;
- (iv) Owing to the increased vehicle density and passenger miles travelled, congestion, pollution and road safety have today become areas of prime concern in the transport sector;
- (v) The sector is characterized by relatively old and outdated rules and procedures, perverse tax laws, and human resource with a majority of unskilled manpower all of which do not offer a conducive environment to the overseas capital and technology.

The new transport policy therefore has a huge task to attend to if the pace of growth of Himachal Pradesh economy has to be accelerated and new employment opportunities are to be generated in the state.

## **2. Vision**

*A prosperous Himachal Pradesh with Transport playing a key role in balanced regional development and harnessing the growth potentials of each and every sector of Himachal Pradesh economy by improving the ability and efficiency of accessing and distributing goods, services and productive capacity with employment opportunities created around the state.*

### **3. Mission Statement**

*It shall be the endeavor of the government to provide state of the art transportation facilities to the travelling public with high standards of comfort and safety. In focus would be the equity considerations to provide luxury travel in public transport at affordable fares to the poor people of the state while simultaneously achieving a modal shift from private to the public transport. It will also promote quality goods transportation infrastructure at a reasonable cost with ability to handle high value cargo at shortest time and at minimal externalities (congestion, pollution and accidents). It can also facilitate in the realization of benefits for the Himachal economy by way of integration into external trade and investment patterns.*

### **4. Policy Objectives**

- a) To provide connectivity to the remotest corner of the state enabling people to access services and facilities including markets for their farm produce. Special arrangements will be made to address the concerns of women, senior citizens, differently abled people, farmers and children. Last mile connectivity will be the special focus of mobility planning in urban areas;*
- b) Encourage most modern state of art goods transport vehicles entering the market for handling the farm and non-farm produce most efficiently and cost effectively for achieving export oriented growth;*
- c) Mainstream Road safety concerns in the overall transport planning by bringing all the concerned departments on board. Efforts will be made to incorporate road safety in the educational curriculum at the appropriate levels;*

- d) *Reduce environmental externalities of transport in Himachal Pradesh by developing suitable tax and non tax incentives and disincentives that encourage environment friendly transport and discourage polluting and unsafe vehicles;*
- e) *Alternate modes of transport like cable cars, trams and non-mechanised modes will be encouraged to achieve sustainable transport development overtime.*

## **5. Guiding Principles**

For achieving the above objectives, the following are the guiding principles in policy formulation in different segment:

- (i) *Overall priority will be given to the public transport over the personalized modes of transport. Within the public transport, passenger transport to the remote and difficult areas to get a high priority notwithstanding the economic considerations. For doing so, suitable changes in the Act and Rules and tax laws to be made;*
- (ii) *Since creation and maintenance of the transport infrastructure requires huge investment and at times specialized management skills also, Public Private Partnership (PPP) to be solicited in all fields to the extent possible and advisable;*
- (iii) *A mix of command and control instruments (Act and Rules), economic instruments (taxes and fees), market instruments (creating and using markets), and moral education instruments (IEC) to be used to mend the behavior of individuals and firms to achieve the desired results. Action plans made here under to include leveraging of innovations in automobile technology, IT tools and management practices to ensure reduction in cost and the transport externalities;*
- (iv) *All the existing Acts, Rules and procedures are to be reviewed to make them more relevant to the present context;*
- (v) *Due importance is given to stakeholder's consultation with a particular focus on women participation in all the planning and implementation process;*
- (vi) *Implementation of the policy to be supervised through a monitoring and evaluation process to achieve the results in a fixed timeframe.*

The policy options in the different segments of the transport management will be outlined hereinafter along with a monitoring and evaluation regime to ensure time bound and result oriented action.

## 6. Policy Initiatives in the Core Transport Operation

The policy initiatives in the core areas of operation of transport like stage carriage permits, goods carriage permits, contract carriage permits, and Private Service Vehicles are discussed hereunder:

### 6.1 Stage Carriage Passenger Transport

An efficient public transport is the need of a developing economy and its people. With the rising incomes, opening of new areas with development of roads, and industrial and tourism development; need for movement has risen manifold. The growth of passenger transport facilities have unfortunately not kept pace with the rising demand which has lead to the problems of overloading and use of contract carriage and private vehicles to meet the unmet demand. Our review of the current state of affairs in this segment shows that the passenger transport sector suffers from unclear and fragmented responsibilities for different aspects of the supply management of sector services and infrastructure, inadequate resource mobilization and sub-optimal utilization of capacity. This has lead to wastage of time and money in moving people, high opportunity cost of resources used to maintain or expand infrastructure capacity or to subsidize certain services, poor safety outcomes causing human sufferings, economic loss and increase in inequalities, and adverse environmental impacts caused due to unplanned vehicular movement and inefficient use of non renewable energy resources.

*The policy of 60:40 will be followed in the formation of new routes and the priority will be given in allocation of permits to ex-servicemen, cooperative societies, women and unemployed people.*

The policy initiatives in this segment are:

- a) A process of identification of roads, where either no services have been provided or are under served, will be done and an assessment of routes where the problem of overloading

exists will be completed within the next six months. After this data is available, routes will be identified for publication under section 68(ca) of the Motor Vehicles Act. Private sector participation will also be solicited along with HRTC;

- b) Route planning exercise using the latest techniques used internationally will be done to rationalize the operation of buses and match the services with passenger demand;
- c) Introduction of latest luxury bus services within and outside the State including travel by air conditioned buses within the State on fares marginally higher than the normal passenger fare. For encouraging a trend towards this and making such operation economically viable, appropriate tax and non-tax incentives will be given;
- d) Encourage the use of latest Information Technology tools including vehicle tracking devices in both public as well as private sector transport services to ensure timely service delivery and real time Passenger Information System (PIS);
- e) It shall be the endeavor of the Govt. to promote seamless and cashless travel across the modes by introducing pre-paid smart cards based systems. Multi-utility smart card combining all transport needs will be explored within the next six months and piloted in the State;
- f) While strengthening the HRTC remains a priority, appropriate performance benchmarks will be developed to judge the performance of the Corporation. The Corporation will ensure provision of timely delivery of services at various points. For doing so, it shall undertake a comprehensive planning process which combines route planning, travel demand, stake holder's consultations and technological interventions with engineering aspects.
- g) Today, a time has come when the HRTC could strive for a brand image that clearly presents their services as a modern, efficient, reliable, convenient, comfortable and safe transport. Information flow to the travelling public will be improved both on quality and quantity terms so that a passenger gets real time data with regard to movement of each and every bus. Suitable display monitors will be installed in all the bus stands, important boarding and de-boarding points and through live data on its website;
- h) For matters relating to allotment of new routes to the private sector, comprehensive guidelines will be developed to handle issues relating to modification of routes, changes in

time table, transfer of permits, and deposit of permits etc. so that clarity and transparency is maintained in disposal of such requests;

- i) New services will be added to provide to and fro 'last mile connectivity' between passenger's homes and bus terminals. Late night and early morning availability of such services shall be ensured.

## **6.2 Goods Carriage Vehicles**

Goods carriage segment, in the developed world, has recently seen introduction of trucks with latest features to handle cargo with special care. In the absence of appropriate alternate modes of transport, policy priority will be to encourage introduction of the latest technology in goods transportation to remove the problems of overloading, high truck density with smaller load capacity causing traffic congestion and pollution. Appropriate fiscal incentives will be developed to encourage scrapping the obsolete fleet causing pollution and safety hazard.

Our review of the segment reveals that the markets are not competitive, partly due to policy-induced distortions or technological characteristics or anticompetitive behavior on the part of market players. Business as usual approach will mean that our economy could miss out on many potential benefits. The segment is characterized by proliferation of small operators with high operating costs in the absence of economies of scale, dominance of old and polluting fleet, cartelization of operators to enforce rates and terms as per their choice, and problems of overloading associated ill effects in the form of accidents and damage to the roads.

For maximum efficiency gains to accrue, new and efficient firms will be encouraged to enter the market with relative ease while forcing old and less-efficient ones to upgrade or quit. Such a policy will force firms to constantly innovate and adapt quickly to the changing environment thus creating dynamic efficiency and also serve to diffuse socioeconomic power, broadening participation in economic and social advances while ensuring opportunities for new entrepreneurs.



A working group will be set up with experts from the industry to incentivize introduction of new technology in the goods carriage vehicles. If need be, appropriate tax and non tax incentives will be given to accelerate the process of modernization.

### **6.3 Contract Carriage Vehicles**

There has been a phenomenal increase in the population of vehicles in this segment. However, there are serious concerns in terms of the quality of services provided and passenger security. Developments in India and elsewhere have shown certain successful models of operation of vehicles in this segment that assures passenger confidence and value for money. It shall be the endeavour of the Govt. to;

- a) Introduce latest luxury vehicles with high tech comfort and safety features to cater to the tourists requirements;
- b) Radio taxi services will be introduced in major tourist towns to facilitate local exploration;
- c) Operation of buses entering the State under this permit has been an area of serious concern due to a tendency of plying on fixed timings on fixed routes in contravention of provisions of the Motor Vehicles Act and Rules. Fiscal and regulatory tools will be used to curb this tendency while not affecting the genuine conducted tours to enter the State.

### **6.4 Private Service Vehicles**

As a matter of policy the Government will encourage all educational institutions to acquire their buses for transportation of their students and faculty.

## **7. Policy Initiatives in Regulatory Reforms**

- (i) The Motor Vehicles Act 1988 has now got dated, while, its review falls within the domain of the Government of India, what is possible for the State Government is to review the H.P Motor Vehicle Rules, 1999 and incorporate the latest developments including our concerns in various sectors. An exercise to review the Rules will be undertaken immediately and new Rules will be notified by the by the 1<sup>st</sup> April, 2015;

- (ii) Similarly, H.P Motor Vehicles Taxation Act, 1972 also needs a thorough review in the current context and policy priorities. All taxes and fees will be re-orientated, wherever possible, to make them advalorem, incentivizing modernisation and making them pro-public transport. The draft of this new Act would be introduced in the next budget session of the Assembly;
- (iii) With the introduction and successful operation of e-payment systems, the Transport Department to upgrade its software will facilitate 24 x 7 payment of taxes and fees by the operators so that they are not made to stand in queues and waste their precious time;
- (iv) All activities of the department will be made online and existing Vahan and Sarthi softwares will be upgraded to remove possibilities of short payment and non-posting of payment received in other offices;
- (v) Enforcement will be made more effective and problem based: the focus will be shifted from current money collection exercise to more professional issue based approach that could effectively handle the problem of overloading, rash and negligent driving, license and permit related lapses and tax non-payment matters;
- (vi) Visual based inspection and maintenance regime has done a great harm to the industry. New equipment based inspection and maintenance centres will be set up within one year;
- (vii) Functioning of the Transport Barriers will be reviewed and based on technology driven interventions, seamless travel will be the ultimate goal, the weigh bridges set up by the department will be offered on management contracts to the private sector;
- (viii) All RTO Offices will upgrade their services to a client-centric approach using ICT technology;
- (ix) Working of Driving Training Schools and Pollution Check Centres will be reviewed and brought under an effective monitoring regime. Training of Trainers will be arranged by the department at frequent intervals;

## 8. **Road Safety**

Road injuries and deaths have become an area of serious concern. While overall rate of accidents and deaths have maintained a constant trend over years, from our point of

view, Transport systems do not work if people are not safe, are injured or die while assessing the jobs, educational services, markets, recreation and a range of daily chores. Our review of the reasons of road fatalities shows that the road safety strategy has to focus on tightening the regulatory framework in respect of licensing and permits, increased supply of stage carriage vehicles, substantially hike the technology requirements in all public transport vehicles, introduce tax and non tax incentives and disincentives to discourage private vehicles ownership and use, remove information asymmetries, pursue making safety features mandatory by enactment in road construction and maintenance, and undertake large scale information Education and communication programs on road safety. The focus of the policy will be:

- (i) In order to bring road safety in focus, the Department of Transport to be renamed as Department of Road Safety and Transport;
- (ii) All drivers of stage carriage buses will now be required to get empanelled in the Transport Department before being eligible to drive a bus. A badge will be issued by the Department. This will ensure that no unauthorized person drives a stage carriage vehicle at any point of time to ensure the safety of the passengers. Drivers, empanelled will be imparted training on yearly basis;
- (iii) We have to be doubly sure that the buses have most modern systems of control to ensure that even if there is a problem with road and weather (rain, and snow etc); the vehicle does not go out of control and it gets automatically stopped even when the driver is not very vigilant;
- (iv) An exercise aimed at fixing the maximum length and breadth of buses allowed to ply on each interior road will be undertaken to stop the current indiscriminate deployment of buses regardless of the road capacity;
- (v) To keep an effective control on the type of training being imparted by the commercial driving training schools, a review of their working will be undertaken at frequent intervals. It shall be mandatory for all SDMs to inspect these schools at least once in a year. Steps will be taken to bring change in the syllabus prescribed for driving training schools in the existing rules. It has been observed that although driving training schools for commercial vehicles are imparting training for two months but hardly any weightage

is given to the crisis management in the event of accident of passenger/stage carriage vehicles. Henceforth, out of two months training, one month will be dedicated for crisis management only;

- (vi) Instructors of all the commercial driving training schools shall be imparted training in crises management by making special arrangements by the Directorate of Transport so that the same is further imparted to the candidates undergoing training at different DTS;
- (vii) At present there is no restriction on the age of the stage carriage buses in the existing rules. A provision shall be made either in the rules or as a condition of the permit, to provide that no stage carriage bus having completed ten years of life ply on the roads. This will be applicable for private as well as HRTC /government buses;
- (viii) Currently, there is no system of collection of accident related data in minute details in terms of particular type of vehicle ,its make, model besides drivers, owners and other parameters which have not been included in the performa till date. A new detailed format of data collection will be prescribed in collaboration with Police;
- (ix) In the present rules there is a provision for compounding of offences relating to overloading in stage carriage vehicles by the RTO. A provision shall be introduced to withdraw the powers of RTOs with respect to this and the case shall be put up before the RTA for considering cancellation of route permit under section 86 of the MV Act;
- (x) Appropriate IEC measures will be undertaken to promote awareness on road safety among various stakeholders.

## **9. Women Security and Equity related Issues**

Transport facilities at all places will be made women friendly. For doing so, the following initiatives are to be taken:

- (i) Due care will be taken to provide toilets, waiting rooms and child care facilities in all major bus stands.
- (ii) Fifty percent seats will be reserved for ladies in all local buses and priority will be given to ladies in all buses. Bus Stands will be fitted with CC Cameras to ensure 24 x 7 surveillance.

(iii) Further, to ensure women participation in transport planning and regulation one member each will be appointed from amongst women in the STA and on the BOD of HRTC.

Due care will be taken to provide service to the under-served or un-served areas, habitations having majority of SC, ST and OBC population. Appropriate tax incentives will be given to make operations viable in such areas, if required.

## **10. Passenger amenities in Bus Stands and Bus queue shelters**

Ideally, the concept of bus stand should not be confined to a place for halting or terminating the buses, instead, it should be a centre that provides different services under one roof at bus stand for the moving public. Therefore, the BSM&DA will undertake classifications of bus stands with the capacity projections for the next 30 years. The following policy will regulate the construction and maintenance of bus stands in the state:

- (i) Each bus stand, even if constructed in local remote locality, should have facilities like booking counters and office accommodation as per requirement, ladies and gents rest rooms facilities, separate waiting rooms for ladies and gents, rest rooms for drivers, provision for ATM and a few shops for catering to the requirements of the passengers. In A & B categories i.e. bus stands which are developed for major towns or tourist centres, the Authority should aim at having State-of-Art facilities, akin to what is provided at the airport terminals including internet, post office, AC rooms, Clock Rooms, Canteens and parking facility;
- (ii) It shall be mandatory that in future all bus stands constructed in Himachal Pradesh will have a separate public parking facility at the basement and sub-basement (where ever possible) to ease the parking pressure of town. As far as possible, this facility should be done on out-sourcing basis through private service providers to ensure a sustainable quality of service over a longer period of time;
- (iii) The Authority will develop a plan for projecting bus stands on PPP basis to the private parties and while doing so, due priority will be given to the entrepreneurs belonging to Himachal Pradesh. The HPBSM&DA and HRTC own properties in central locations all over the state which not only need to provide better facility to the passengers but also become hub of commercial activities of the town by providing office complexes, hotel and

restaurant facility, shopping malls and other ancillary facilities like banking, postal services and medical facilities where ever possible. Such an initiative would boost income in the state and generate employment in addition;

- (iv) The Authority will create sufficient parking facility to all the buses and to facilitate the operators for proper booking and that the departure bays are properly earmarked for all directions of travel. Booking counters will also be provided to the major operators, besides creating rest rooms facility for the operational staff;

## **11. Water Transport**

Although, over the years, the state has extended road connectivity to most areas, ferries still remain a predominant mode of transportation in certain areas in view of the time and cost savings they offer over road transportation. However, many water bodies have come up as a result of hydro-power dams which today offer potential of providing a transport option through the shortest route. It gives rise to an urgent need to re-evaluate the whole sector as a mode of transportation.

- (a) Identification of new routes in the existing and the new water body will be done and offered to the private sector for investment. Stress shall be laid on improving the safety and quality of passenger services being offered;
- (b) A suitable enforcement regime shall also be operationalized to stream line the functioning and growth of these services;
- (c) A comprehensive study shall be carried out to explore the feasibility of using water transport as a medium for goods transportation.

## **12. Facilities to the Transport Workers**

Transport provides direct and indirect employment to a large number of people. However, there is no effective system of regulating the working conditions of the manpower working in this sector. Even though, the Motor Transport Workers Act, 1961 is in operation, enough needs to be done to implement various provisions of the Act. The state will take effective steps to implement the provisions of this Act and shall consider creating a special fund for this purpose.

With a view to solicit workers participation in transport planning and management, a special program of ‘communicating up’ is to be launched to facilitate the flow of information upwards. Experience shows that owing to their contact with passengers and the general public, transport workers have vast knowledge of practical problems being faced in the operation and management and often have the best solution available with them.

### **13. Monitoring and Evaluation Framework**

For effectively implementing the provisions of this policy, a committee headed by the Transport Minister will be notified that will hold meetings on quarterly basis and review the implementation of this policy. Evaluation studies will be undertaken in various segments of the transport operation to guide the implementing agencies on various options and their possible outcomes.

Overall, the policy is oriented to make infrastructure in transport sector in Himachal Pradesh at par with the best available in the country and elsewhere. The motto is: *developing transport infrastructure that makes mobility safe, comfortable and affordable.*

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