



# Lok Sabha passes the Central Road Fund (Amendment) Bill, 2017.

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The Lok Sabha passed the Central Road Fund (Amendment) Bill, 2017 today. The Bill seeks to amend the Central Road Fund Act, 2000, through which the cess levied and collected on high speed petrol and diesel is distributed for development of rural roads, national highways, railways, state roads and border area roads. The present bill seeks to allocate two and a half per cent. of the CRF generated to accelerate the development and maintenance of national waterways by reduction of an equal percentage from the share of national highways. This would tentatively generate about Rs. 2,300 crore revenue for national waterways.

National Waterways provide cost effective, logistically efficient and environment friendly mode of transport, whose development as a supplementary mode would enable diversion of traffic from the over-congested roads and railways. With the enactment of the National Waterways Act, 2016, the total number of national waterways has become 111. This has paved the way for better regulation and development of the national waterways in the country. However infrastructure such as jetties, terminals, navigational channels, etc. for better shipping and commercial navigation continues to be a challenge. In order to suitably develop national waterways, sustainable source of funding is highly necessary as budgetary support and funds from multilateral institutions are inadequate.

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, 2000. This allocation is proposed to be rationalized by amending the said Act so as to provide for allocating two and a half per cent. for the development and maintenance of national waterways. This would accelerate the development of national waterways and also offer incentives and certainty for private sector to invest in inland waterways transport sector.

The Cabinet had approved the proposal during its meeting held on 24.05.2017. The bill was introduced in the Lok Sabha on 24.07.2017. After detailed deliberations and considerations, the bill was unanimously passed by the Lok Sabha today.

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