

**GOVERNMENT OF INDIA  
RAILWAYS  
LOK SABHA**

STARRED QUESTION NO:470

ANSWERED ON:27.04.2015

REFORMS IN RAILWAYS

Chavan Shri Ashok Shankarrao;Reddy,Kotha Prabhakar

**Will the Minister of RAILWAYS be pleased to state:**

- (a) whether the Railways have constituted a High-level committee under the Chairmanship of Shri Bibek Debroy to suggest ways and means for introducing reforms in Railways and if so, the details thereof;
- (b) whether the said committee has submitted its report to the Railways;
- (c) if so, the details and the key recommendations/suggestions of the report;
- (d) the action taken by the Railways on each of the recommendations/ suggestions made by the said committee; and
- (e) whether the Railways are planning to allow private participation in running the trains, if so, the details thereof and the action taken by the Railways in this regard?

**Answer**

MINISTER OF RAILWAYS (SHRI SURESH PRABHAKAR PRABHU)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 470 BY SHRI PRABHAKAR REDDY KOTHA AND SHRI ASHOK SHANKARRAO CHAVAN TO BE ANSWERED IN LOK SABHA ON 27.04.2015 REGARDING REFORMS IN RAILWAYS

(a): A Committee for Mobilisation of Resources for major Railway Projects and Restructuring of Railway Ministry and Railway Board, headed by Dr. Bibek Debroy, was constituted in September, 2014 for a tenure of one year with the following terms of reference.

# Re-organizing and re-structuring the Board and subsequently the department so that policy making and operations are separated, the department does not work in silos, policy making focuses on long term and medium term planning issues and operations focuses on day to day functioning of the organization.

# Promote exchange of officers between the Railways and other departments.

# Estimate financial needs of the Railways and ensure appropriate frameworks and policies are in place to raise resources, both internally and from outside the Government, to enable Railways to meet the demands of the future.

# Examine and suggest modalities for implementing the existing Cabinet decisions on setting up a Rail Tariff Authority and give recommendations.

(b) to (d): The Committee has submitted its Interim Report in March, 2015. It contains various recommendations on Reforms and Restructuring of the Railway Ministry and Railway Board. These include, inter-alia :-

# Separation of Policy making, regulations and operations.

# Setting-up, independent of Ministry of Railways, a Railway Regulatory Authority of India (RRAI) which should subsume the Commissioner of Railway Safety.

# Railway Board should be revamped to become like a corporate Board for Indian Railways (IR).

# Unbundling of Indian Railways into two independent organisations, one responsible for track and infrastructure and another that will operate trains.

# Merger of Railway Budget with the General Budget in a phased manner and accounting reforms.

# Existing Production Units to be placed under Government SPV known as Indian Railway Manufacturing Company (IRMC) under Ministry of Railways.

# To bring all Zonal Construction organisations under the umbrella of one or more Public Sector Undertakings (PSUs) to improve speed, efficiency and quality of execution of works.

# Separation of sub-urban services from Indian Railways and to run as Joint Venture (JV) with State/Local Government.

# Private Participation in running freight and passenger trains and in various Railway infrastructure services and non-core activities like production and construction.

# Re-organisation of various Group 'A' Services into two streams and merging of Railway Board Secretariat Service (RBSS) with Central Secretariat Services (CSS).

# Bifurcation of roles of Research, Design and Standards Organisation (RDSO).

# De-linking of Railway Protection Force (RPF) from the Indian Railway System.

# Decentralisation and delegation of powers.

As the Interim Report of the Committee and the recommendations contained therein are at the stage of feedback/comments of stakeholders, suitable action will be taken based on the final report of the Committee targeted for submission in August, 2015.

(e): There is no proposal at present to allow private participation in train operations on the existing Indian Railway network. However, the sectoral guidelines for Domestic and Foreign direct investments in Railways issued in November, 2014 permits such participation in case of concessioning of standalone passenger corridors (Branch lines/Hill Railways).