

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:4719

ANSWERED ON:22.12.2014

CHANGES IN RAIL FARE

Arunmozhithevan Shri A.;Dhruvanarayana Shri Rangaswamy;Kumar Shri P.;Paraste Shri Dalpat Singh

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have decided to do away with the Fuel Adjustment Component (FAC) in the passenger fares, and if so, the details thereof and if not, the reasons therefor;
- (b) whether the Railways have analysed its impact on train users, and if so, the details thereof;
- (c) whether the Planning Commission has asked for adoption of an automatic indexation of fares in line with the increase in fuel costs;
- (d) if so, whether the Planning Commission has also asked for fare fixation to be entrusted to a Statutory Rail Tariff Regulator; and
- (e) if so, the details thereof and the steps taken by the Railways in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MANOJ SINHA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO.4719 BY SHRI DALPAT SINGH PARASTE, SHRI A. ARUNMOZHITHEVAN, SHRI P. KUMAR AND SHRI R. DHRUVA NARAYANA TO BE ANSWERED IN LOK SABHA ON 22.12.2014 REGARDING CHANGES IN RAIL FARE

- (a) No, Madam. At present there is no such proposal.

(b) Analysis of impact of fare revision on rail users is an ongoing process. The impact of last Fuel Adjustment Component linked revision on passenger fares at average lead of different classes effective from 25.06.2014, was 0 to 6 paise per kilometer for non Air Conditioned classes and for Air Conditioned classes it ranged from 14 paise to 44 paise per kilometer. However, there was no increase in Second Class (Ordinary) Suburban fares upto 80 kms.

(c) & (d) Yes, Madam. Planning Commission in approach paper to the 12th Five Year Plan made suggestion for adoption of Fuel Adjustment Component linked revision in fares which would automatically adjust the fares in accordance with the rise in input costs. It further reiterated it's earlier recommendation for establishment of an independent Tariff Regulation Commission for the Railways to fix tariffs.

(e) In accordance with the recommendation of Planning Commission, Ministry of Railways implemented Fuel Adjustment Component linked tariff revision from 01.04.2013.

As regards Rail Tariff Authority (RTA), Government has already approved setting up of RTA as an interim body, which will advise the Ministry of Railways on all matters related to fixation of tariffs. A Government resolution dated 27.01.2014 to this effect was issued.