

BANGALORE BUS PRAYAANIKARA VEDIKE

#122/4, Infantry road, Bangalore- 560001; 9880595032, 9972903460, 9483950202

Member Organisations: Alternative Law Forum, Bangalore Slum Janara Sanghatane, Garment and Textile Workers Union, Hasiru Usiru, Karnataka Domestic Workers Union, Karnataka Jana Shakti, Karnataka Sexual Minorities Forum, Karnataka Sex Workers Union, National Alliance of Peoples' Movements, New Socialist Alternative, Praja Rajakiya Vedike, Radio Active 90.4, Samvaada, Sadhana Mahila Gumpu, Students Islamic Organization, Vijayanagar Beedhi Vyaaparigala Sanghatane, Vimochana

To:

Sri Ramalinga Reddy,

Honourable minister for Transport and District In-charge Minister - Bangalore Urban

25 April 2014

Dear Sir,

BMTC has increased the bus a 5th time in 3 years. In these 3 years, the fares for many stages have increased in the range of 50% to 80%, hitting the common people hard. While bus fares increase steeply, incomes are not rising proportionately for commuters. A large section of the commuters are daily wage workers, construction laborers, street vendors, domestic workers, pourakarmikas, garment workers, contract workers employed by the government and other private concerns etc whose monthly income ranges between Rs. 3000 to Rs. 7000. They are forced to manage the increased expenditure on bus fare by reducing expenditure on other essentials like food and education. Those who are unable to manage the expenses have started walking even 4km - 6km to reach their destinations.

BMTC has attributed increase in diesel prices and increased staff costs as the major reasons for increasing the fare. However, many questions remain unanswered.

- BMTC has been posting profits every year since its second year of inception, how then did BMTC suffer a loss of 147 crores last year and another 140 crores this year?
- Whereas diesel prices have increased by roughly 30% over the last three years, bus fares have increased in the range of 50 to 80%.
- While BMTC claims an increased staff cost of 100 crores, the employees union has been claiming that BMTC has not paid the employees their DA arrears, health insurance premiums and PF contributions. **[Vinay, please correct the details as required]**
- More and more AC buses, costing 4-5 times more than an ordinary bus, are being added to BMTC fleet. Many of these are also seen running empty one after the other during non-peak hours. The cost implications of these have not been studied or published by BMTC.
- There has been widespread construction of TTMCs across the city and renting them out for commercial activity. It's not clear what revenue addition has accrued to BMTC by renting out these spaces.

BMTC's press release claims 140 crores of increased expenditure on diesel. 22% of this fuel cost is the tax levied by state government. Its well within the powers of the state to waive off this tax (which amounts to 30.8 crores just this year) to help BMTC reduce its expenditure. Apart from diesel tax, BMTC also pays Motor Vehicle tax to the tune of 80-90 crores a year to the state government. It also pays road tax as well as tax on spare parts for buses which ply in the city to serve the public. A significant part of BMTC's cost overruns can be offset and the fares reduced just by the state government waiving off these taxes.

More than half the city's population travels daily by BMTC buses. The increased fares and the model of fare increases based on diesel prices make BMTC unaffordable for large sections of society. There has been continued opposition to the fare increase from commuters. However, BMTC has not made any attempts to make the service affordable for public. BMTC is performing a public service and should operate outside the framework of profit and loss. Even so, if quantified, the social, ecological and economic benefits enjoyed by the public and society at large due to an affordable bus service used by a majority of the city will far exceed the costs incurred to sustain its operations.

As a representative of the people and the Minister in charge of transport, we request you to address the concerns of bus commuters in Bangalore and provide the city and the state a public transport system that is affordable, reliable and comfortable for the large majority in the city.

We demand the following

- 1) Revise the BMTC fares structure and fare fixing mechanism. The fares must be fixed in such a way that they do not exceed 5% of the lowest minimum wages fixed by the Government of Karnataka. Based on this reasoning, the Prayaanikara Vedike has proposed a fare structure of 5 Rs for the first 10 kms, 10 Rs for 10 to 20 kms and 15 Rs for any distances thereof. We also propose daily passes for Rs 25 and monthly passes for Rs 250. In addition, free passes should be given to senior citizens, people with disability, Antyodaya card holders and school children.
- 2) Initiate a thorough financial and operations audit of BMTC by CAG or an appropriate statutory authority. The audit should cover aspects like affordability, operational efficiency, frequency and reliability of buses, coverage of areas and comfort and safety of the commuters.
- 3) Hold widespread public consultations to share the audit findings and invite inputs from public. Improve BMTC on all these parameters in a transparent and time-bound fashion
- 4) A process of statutory as well as social audit of BMTC should be instituted annually to make BMTC transparent and ensure that BMTC provides affordable, reliable, comfortable and safe public transport for the common people of Bangalore.
- 5) If BMTC cannot provide affordable bus service to the common people from its revenues alone, the state government should explore multiple ways of providing financial support to BMTC
 - Withdraw taxes paid by BMTC to state government – Motor Vehicle Tax and road tax on buses, VAT on spare parts and tax on diesel
 - Provide operational support to BMTC by paying the employees' salary (as done in Tamil Nadu) or by providing funds to BMTC for capital expenditure like purchase of new buses
 - Study operational models of other cities where bus services have affordable fare structures. Adopt appropriate measures from these cities/states.
 - Introduce parking and congestion fees for private vehicles and transfer the funds to BMTC to improve the public transport
 - Create a BMTC corpus fund with an amount comparable to that being spent on Bangalore Metro

We request you to immediately act on the above in the interest of providing an affordable and equitable public transport for the city.

Yours sincerely,