एम. रामाचन्द्रन
M. RAMACHANDRAN
सचिव
Secretary

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D.O. No. K-14011/07/07-UT
February 12th, 2007

Subject: Running of city bus services on PPP Model

Dear Chief Secretary,

National Urban Transport Policy, 2006 encourages public transport, non motorized modes and pedestrianisation and Central financial assistance is also offered for this purpose. As the experience worldwide has shown, growth of personal vehicles and investment in only roads can not bring down the problem of congestion. Various cities are now having bus based transit systems for urban transport. To promote urban transport through buses and incentivize model shift from private vehicles to modern quality vehicles, it is essential that low floor/semi low floor quality buses (such as Tata Star Bus, Ashok Leyland and Volvo Buses etc) are introduced for intra-city transport with the help of private participation. Such buses will not only help to change the mindset of people about buses, but would also help in improving the image of the city.

Number of cities have come up with proposals for introduction of Bus Rapid Transit Systems (BRTS) under Jawaharlal Nehru National Urban Renewal Mission to addrss the rapidly growing problem of urban transport. Where a dedicated corridor is not justified on the basis of the traffic demand, it would be advisable for the cities to introduce modern city bus services through SPV route with quality, modern, low floor/semi low floor buses with on line passenger information system, Smart Cards etc.

Indore in Madhya Pradesh has evolved a very good PPP model for operation of their city bus services which can be rated as one of the best practices. In this model, the investment on the rolling stock is planned through private participation. The source of revenue for the private operator is daily fare collection and income from the advertisements. Similar SPVs can be formed for any city requiring city bus services. In fact even the cities which are planning for Bus Rapid Transit Systems (BRTS) later on in desired corridors, may first introduce city bus services on similar model which can then be upgraded to BRTS.

A copy of brochure of the Indore City Transport Services Ltd., a SPV operating the city bus services in Indore on this model, is enclosed which gives details of the model. You may like to issue instructions to the concerned authorities for adoption of or improvement upon this model for introduction of modern city bus services in the towns and cities of your State/UTs.

With regards,

Yours sincerely,

-Sd-

(M. Ramachandran)

All Chief Secretaries of States/UTs

Copy to:-

1. Secretary, Department of Economic Affairs, Ministry of Finance, New Delhi
2. Shri Gajender Haldia, Advisor to Deputy Chairman, Planning Commission, New Delhi

Ramachandran

(M. Ramachandran)

Please link www.citybusindore.com for ICTSL model.