

PARLIAMENT OF INDIA

RAJYA SABHA

DEPARTMENT-RELATED PARLIAMENTARY STANDING COMMITTEE ON
TRANSPORT, TOURISM & CULTURE
ONE HUNDRED AND TWENTY- SECOND REPORT
ON
THE NATIONAL WATERWAY (KAKINADA-PONDICHERY
STRETCH OF CANALS AND THE KALUVELLY TANK,
BHADRACHALAM-RAJAHMUNDRY STRETCH OF
RIVER GODAVARI AND WAZIRABAD-VIJAYAWADA
STRETCH OF RIVER KRISHNA) BILL, 2006

(PRESENTED TO THE RAJYA SABHA ON 16TH AUGUST, 2007)
(LAID ON THE TABLE OF THE LOK SABHA ON 16TH AUGUST, 2007)

RAJYA SABHA SECRETARIAT
NEW DELHI

AUGUST, 2007/SRAVANA, 1929(SAKA)

C O N T E N T S

1. [COMPOSITION OF THE COMMITTEE](#)
2. [INTRODUCTION](#)
3. [REPORT OF THE COMMITTEE](#)
4. [OBSERVATIONS/CONCLUSIONS/RECOMMENDATIONS AT A GLANCE](#)
5. [ANNEXURE](#)
6. [MINUTES](#)

COMPOSITION OF THE DEPARTMENT-RELATED PARLIAMENTARY
STANDING COMMITTEE ON TRANSPORT, TOURISM AND CULTURE
(2006-2007)

1. **Shri Sitaram Yechury** - *Chairman*

RAJYA SABHA

2. Prof. Ram Deo Bhandary
3. Shri S.S. Chandran

4. Shri Vedprakash P. Goyal
5. Prof. Alka Balram Kshatriya
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7. Shri M.V. Mysura Reddy
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9. Shri Shahid Siddiqui
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LOK SABHA

11. Shri Anandrao Vithoba Adsul
12. Shri Sukhbir Singh Badal
13. Shri Joachim Baxla
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23. Dr. Ramkrishna Kusmaria
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25. Shri Alok Kumar Mehta
26. Shri Hemlal Murmu
27. Shri Madan Lal Sharma
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29. Shri Dushyant Singh
30. Shri Suraj Singh
31. *Shri Prahlad Joshi

SECRETARIAT

Shri Sham Sher Singh, Joint Secretary

Shri J.G. Negi, Joint Director

Shrimati Subhashree Panigrahi, Assistant Director

* Nominated on 20.3.2007 in the vacancy caused due to demise of Shri Manbendra Shah.

INTRODUCTION

I, the Chairman of the Department-related Parliamentary Standing Committee on Transport, Tourism and Culture, having been authorised by the Committee to present on its behalf, do hereby present this One Hundred and Twenty-second Report of the Committee on the National Waterway (Kakinada-Pondicherry Stretch of canals and the Kaluvelly Tank, Bhadrachalam-Rajahmundry Stretch of River Godavari and

Wazirabad-Vijayawada Stretch of River Krishna) Bill, 2006*.

2. In pursuance of rules relating to the Department-related Parliamentary Standing Committees, the Hon'ble Chairman, Rajya Sabha referred** the Bill as introduced in the Rajya Sabha on the 8th December, 2006 and pending therein, to the Committee on 13th December, 2006 for examination and report within three months. On the request being made by the Chairman of the Committee, the Hon'ble Chairman, Rajya Sabha had granted extension of time upto the first week of Monsoon session of Parliament for the presentation of the Report of the Committee on the aforesaid Bill.

3. In the course of examination of the Bill, the Committee visited Vishakhapatnam and Chennai and took oral evidences of the Chief Secretaries of Governments of Andhra Pradesh and Tamil Nadu at Vishakhapatnam and Chennai on the 5th and 7th February, 2007, respectively on the various provisions of the Bill.

4. In order to get wider views on the subject, the Committee invited the views of individuals, organisations and institutions on the subject through advertisement in all major national dailies and vernacular newspapers all over the country. Under the mandate, the Committee has examined the Bill and finalized the Report.

5. The Committee considered the draft Report on the subject and adopted the same on the 18th July, 2007.

6. The Committee wishes to express its thanks to the Secretary and other officers of the Department of Shipping and Chief Secretaries of Governments of Andhra Pradesh and Tamil Nadu for the assistance and inputs provided during deliberations on the provisions of the Bill for finalizing the Committee Report.

NEW DELHI ;

July 18, 2007

Asadha 27, 1929 (Saka)

SITARAM YECHURY

Chairman

*Department-related Parliamentary Standing
Committee on Transport, Tourism & Culture*

* Published in the Gazette of India Extraordinary Part II, Section-2, dated 8.12.2006.

** Rajya Sabha Parliamentary Bulletin Part II, No. 43706, dated 13.12..2006.

REPORT

The National Waterway (Kakinada-Pondicherry Stretch of Canals and the Kaluvelly Tank, Bhadrachalam-Rajahmundry Stretch of River Godavari and Wazirabad-Vijayawada Stretch of River Krishna) Bill, 2006 was introduced in the Lok Sabha on 8th December, 2006. On 13th December, 2006 Hon'ble Chairman Rajya Sabha, in consultation with the Hon'ble Speaker, Lok Sabha referred the Bill to this Committee for examination and Report. Under the mandate, the Committee has examined the Bill and finalised the Report. The Bill seeks to provide for the declaration of the Kakinada-Pondicherry stretch of canals comprising of Kakinada canal, Eluru canal, Commamur canal, Buckingham canal and the Kaluvelly tank, Bhadrachalam-Rajahmundry stretch of river Godavari and Wazirabad-Vijayawada stretch of river Krishna in the States of Andhra Pradesh and Tamil Nadu and the Union Territory of Puducherry to be a national waterway and also to provide for the regulation and development of the said stretch of the rivers and the canals for purpose of shipping and navigation on the said waterway and for matters connected therewith or incidental thereto.

2. In the Statement of Objects and Reasons of the Bill, the Government have enumerated the objects to be achieved by this legislation.

2.1 In the absence of suitable organisation and paucity of resources with the State Governments, the development of Inland Water Transport (IWT) has not made much headway in those parts of the country where it has vast potentials. There are certain advantages in this mode of transport, such as low cost transport, energy efficiency, generation of employment among weaker sections of the society and its eco-friendly nature. Various committees set up by the Government for the purpose of looking into this matter had in the past recommended that the Central Government should declare certain waterways as national waterways and assume responsibility for their overall development. The Central Government has accordingly constituted the Inland Waterways Authority of India under the Inland Waterways Authority of India Act, 1985, for the regulation and development of inland waterways for purposes of shipping and navigation. Allahabad-Haldia stretch of the Ganga-Bhagirathi-Hooghly River, Sadiya-Dhubri stretch of the Brahmaputra river and Kollam-Kottappuram stretch of West Coast Canal along with Champakkara and Udyogamandal Canals have already been declared as national waterways. Consequently, Inland Waterways Authority of India has taken up the development, maintenance and management of these waterways.

2.2 The Department of Shipping proposes to declare Kakinda-Puducherry stretch of canals comprising of Kakinada Canal, Eluru Canal, Commamur Canal, Buckingham Canal and Kaluvelly Tank along with Bhadrachalam-Rajahmundry stretch of Godavari river and Wazirabad-Vijayawada stretch of the Krishna river as a National Waterway, Infrastructure facilities currently available on this waterway are not adequate for safe, convenient and sustained shipping and navigation by large mechanized crafts. Therefore, the waterway is required to be suitably developed by providing adequate infrastructure for safe, convenient and sustained shipping operations. The regulation and development of the proposed national waterway under the control of the Union for the purposes of shipping and navigation is in the public interest and declaration to that effect has also been made in this Bill.

3. The Department of Shipping in their background note furnished to the Committee informed that Inland Water Transport is an economic, fuel efficient, environment friendly and employment oriented mode of transport. The role of the Union Government is to regulate shipping and navigation on Inland Waterways declared by Parliament by Law to be national waterways. The responsibility and executive authority for development and maintenance of all waterways other than those declared as National Waterways rest with the State Governments. The following inland waterways have so far been declared as National Waterways through Acts of Parliament:

- (i) Allahabad-Haldia stretch (1620 kms.) of the Ganga-Bhagirathi Hooghly river system by the National Waterways (Allahabad-Haldia stretch of Ganga-Hooghly river) Act, 1982
- (ii) Sadiya-Dhubri stretch (891 kms.) of Brahmaputra river by the National Waterway (Sadiya-Dhubri stretch of the Brahmaputra river) Act, 1988 ; and
- (iii) Kottapuram-Kollam stretch of the West Coast canal alongwith Champkara canal and Udyogmandal canal (205 kms.) by the National Waterway (Kollam-Kottapuram stretch of West Cost Canal and Champakara and Udyogmandal canal) Act, 1992.

3.1 The Central Government has constituted Inland Waterways Authority of India for development, maintenance and regulation of National Waterways for shipping and navigation. The infrastructure facilities on the existing three National Waterways are being created by it. It is aimed to made these three National

Waterways fully functional by 2007-08.

3.2 It is now proposed to declare Kakinada-Puducherry stretch of canals consisting of the Kakinada Canal, the Eluru Canal, the Commamur Canal, the Buckingham Canal and the Kaluvelly Tank, Bhadrachalam-Rajahmundry stretch of the Godavari river and Wazirabad-Vijayawada stretch of the Krishna river as National Waterway. (Annexure-I) The Waterway under consideration comprises river and canal sections having a total length of 1095 km falling in the States of Andhra Pradesh (907 km), Tamil Nadu (186 km) and Puducherry (2 km) with following break-up:-

Name of River/Canal	Length (in Km.)
River Godavari (Bhadrachalam-Rajahmundry)	171
River Krishna (Wazribad-Vijayawada)	157
Kakinada Canal (Kakinada-Rajahmundry)	50
Eluru canal (Rajahmundry-Vijayawada)	139
Commamur canal (Vijayawada-Pedaganjam lock)	113
Buckingham canal (Pedaganjam lock-Mercaunam)	443
Kaluvelly tank (Mercaunam-Puducherry)	22
Total	1095

3.3 The Department of Shipping informed that infrastructure currently available on this waterway is not adequate for safe, convenient and sustained shipping and navigation by large mechanized crafts. Therefore, the waterway is required to be developed by providing adequate infrastructure for safe, convenient and sustained shipping operations. It has been visualized that substantial quantum of inland water transport traffic to the tune of 6.42 million tones is likely to be carried on the proposed national waterway after its full development in a span of 5 years. This traffic is expected to be handled at 14 terminals namely Bhadrachalam, Pochavaram, Rajahmundry, Wazirabad, Muktiyala, Vijayawada, Eluru, Tadepalligudem, Kakinada, Kottapatnam, Maipadu, Durgajapatnam, Chennai and Puducherry. The major identified cargo are paddy, tobacco, chilies, oil seeds, pulses and cotton; timber, bamboo, firewood, tendu (beedi) leaves, coal, limestone, iron and steel, building materials, cement, general merchandise, fertilizers and civil supplies. The proposed dimension of the waterway is:-

For Kakinada, Eluru and Commamur canals

Bed width	-	14 m
Depth	-	1.6 m
Side slope	-	1:3

For River Godavari and Krishna, Buckingham canal and Kaluvelly tank

Bed width	-	32m
Depth	-	1.8 m
Side slope	-	1:5

3.4 The Department of Shipping informed that the development of the rivers and canals along with

provision of infrastructure facilities for purposes of shipping and navigation and to handle the traffic requires development of the waterway for navigation, channel marking, construction of terminals transit sheds, installation of handling equipment, etc. Further, it was estimated by the Consultant M/s RITES in the year 2002 that the expenditure with respect to the said development will be of the order of Rs.542 crore (Rs.395 crore for fairway development + Rs.143 crore for terminals + Rs.4 crore for setting up of office). The expected period of implementation of the project is 5 years. Besides, the Consultant for operation of the waterway and terminals also estimated annual maintenance cost of Rs.11 crore. The waterway will facilitate movement of 100 tonnes vessels (32 m X 5 m X 1 m) in the irrigation canal portion and 350 tonnes vessel (45 m X 9 m X 1.2 m) in the rivers and Buckingham canal portion. It will provide an alternative mode of transportation for movement of commodities between ports of Chennai, Ennore and Kakinada and various hinterland cities namely Wazirabad, Vijayawada, Rajahmundry, Polavaram, Eluru, Nellore, Ongole and Puducherry. It will also facilitate decongestion of roads, fuel savings, provide better environment corridor, ensure better port-hinterland connectivity, generate employment among weaker sections of the society and increase tourism activities in the region. The Consultant M/s RITES who prepared the techno-economic feasibility study had reported that sufficient Government land is available for widening of narrow canals except for Eluru canal (76 hectares), South Buckingham canal (393 hectares) and for the artificial canal link connecting Kaluvelly tank and Puducherry (14 hectares). The State Government of Tamil Nadu and Andhra Pradesh have been requested to carry out delineation survey to assess the extent of land to be acquired.

4. In order to have wider consultations, the views of individuals, organizations and institutions on the subject matter of the Bill were invited through advertisements in all major dailies and vernacular newspapers in the country. The Committee during its visit to Vishakhapatnam, Chennai, Andaman and Nicobar islands and Kolkata from 4th to 12th February, 2007 heard the views of the Chief Secretaries, Government of Andhra Pradesh and Tamil Nadu on the provisions of the Bill on 5th and 7th February, 2007 at Vishakhapatnam and Chennai respectively. The Government of Tamil Nadu, Public Works Department *vide* their letter dated 28.06.07 informed the Committee that Government of Tamil Nadu has no specific comments on the provision of the Bill and the Bill is acceptable to that Government.

4.1 Similarly, the Government of Puducherry, Local Administration and Public Works Department *vide* their letter dated 6th March, 2007 have furnished their comments on the Bill which are reproduced below :-

- (i) The UT of Puducherry supports the move, since the formation of the proposed inland waterway will be beneficial of UT of Puducherry. As such there is no reservation on the issue.
- (ii) The consent of the UT Administration was given after inspection of the site by the officials concerned.
- (iii) The Bill can be cleared in its present form. The regulation and development of the proposed national waterway will be carried out by the inland Waterways of India in the limits shown under the Schedule (Section -2) and as per the Financial Memorandum of the Bill enclosed with the reference letter.

5. The Committee pointed out that the existing National Waterways in the country are under utilized and desired to know the reasons for declaration of the new waterways and the strategy conceived to popularize the IWT mode in the country, the Department of Shipping in their reply informed the Committee that like any other transport sector, inland waterways also require basic infrastructure facilities namely assured navigation channel with adequate depth and width, terminals for berthing of vessels and loading and unloading of cargo and navigational aids for round the clock operation of inland vessels. Though some

infrastructure has been provided on the three National Waterways, it has not reached a threshold level to become commercially viable. Hence, the waterways are not being utilized to their potential. However, cargo is being transported on the three national waterways and an increasing trend is also visible as given below:

Cargo Transportation	(in billion tonne km)		
	2003-04	2004-05	2005-06
NW-1	0.160	0.312	0.411
NW-2	0.029	0.025	0.032
NW-3	0.022	0.015	0.017
Total	0.211	0.352	0.460

6. IWAI has now made an Action Plan to make these National Waterways fully functional subject to availability of funds. Utilization of the National Waterways thereafter is expected to increase substantially, as also operations on these waterways will become commercially viable. For demonstrating the functionality of the three NWs and increasing the confidence level of IWT operators, IWAI has also planned Fixed Schedule Service (FSS) for demonstrative purpose on the three NWs, which will be operated by cargo vessels acquired by IWAI. This level of development of the existing National Waterways will be the 'Stage-1' of the development where basic infrastructure will be put in place through public investment, and private investment will be mainly for operation of IWT vessels. Thereafter, further upgradation of infrastructure e.g. developing higher LAD, specialized terminals could take place through private investment. This upgradation can be termed as 'Stage-2' development. The 'Stage-1' development will require 2 to 3 years for putting up infrastructure and further 3-4 years for demonstration of functionality after which the 'Stage-2' development will be mainly through private investment and role of IWAI/Government will be that of facilitator and regulator only.

7. IWT is a fuel efficient, cost effective and environment friendly mode of transport. With adequate investment and focus it can be developed into a viable and visible mode complementary to the rail and road modes. Due attention has not been paid in the past to the IWT mode, but now the Union Government intends to develop it fast and as a part of this effort two new waterways have been identified for declaration as new National Waterways. It is planned that while existing National Waterways are being made fully functional under Stage-1 development, the procedural formalities would be gone through and Parliamentary approval would be obtained for declaration of new National Waterways, so that projects on these are approved and they become ready for Stage-1 development, thereby maintaining a continuity in IWT development in the country. In other words, when the existing three National Waterways would be in Stage-2 development mode, the proposed new National Waterways will be developed under Stage-1 and after their Stage-1 development, they also will be ready for Stage-2 development.

8. The waterways other than National Waterways will also be developed through the respective State Governments for which liberal funding is available under Centrally Sponsored Scheme as of now. This approach will lead to overall development of IWT sector in the country. As far as enhancing utilization of existing and proposed National Waterways is concerned, apart from demonstrative cargo operation for ascertaining functional characteristics of the waterways and increasing the level of confidence of users, other promotional measures such as inland vessel building subsidy, viability gap funding for profitable operators, setting-up of vessel leasing company and other incentives for increased use of the waterways would be provided in a phased manner depending upon the requirement from time to time.

9. The Committee wanted to know whether the proposed National Waterways will have any impact on irrigation interest of the region, the Department of Shipping in their reply informed that the irrigation canals in the State of Andhra Pradesh viz Kakinada canal, Eluru canal and Commamur canal form part of the proposed National Waterway-4. It was initially proposed to develop these waterways for a bed width of 32 m and depth of 2 m. But based on the request of the State Government, it has been decided to develop this portion of the waterway for a bed width of only 14 m and depth of 1.6 m in order to safeguard the requirements of irrigation. Hence the proposed declaration of the National Waterway will not jeopardize the irrigation interest of the State Government. The East Cost Canal (which is a part of proposed National Waterway-5) was already designed as irrigation cum navigation canal and under the existing proposal also, no development is proposed which will adversely affect irrigation interests of the region. Further, IWAI had been in continuous touch with all the concerned State Governments of the proposed National Waterways at various stages and their views have been considered while planning development works. Therefore, it is confirmed that irrigation interests of the concerned States will not be compromised due to development of proposed National Waterways.

10. The Committee wanted to know as to how the IWT vessels would be serviced and repaired when large number of vessels start plying on existing three National Waterways and proposed two National Waterways. The Department of Shipping submitted that the coastal areas of the existing and proposed National Waterways namely Kolkata in case of NW-1, Kochi in case of NW-3 and Kakinada, Chennai, Visakhapatnam and Paradip etc. in case of NW-4 and 5 already have repair facilities which can cater to the repair needs of inland vessels. On National Waterway No. 1 and 2 however, adequate repair facilities do not exist on inland stations like Patna, Varanasi, Allahabad (NW-1) and Guwahati (NW-2). Therefore, under the Action Plan of IWAI for making three National Waterways fully functional, projects for construction of repair facilities at Patna and Guwahati are also being prepared. When the IWT vessels start plying in large numbers on these waterways, it is expected that facilities will also grow based on the demand, propelled by market forces.

11. The Committee wanted to know as to how this particular waterway will benefit the people of Andhra Pradesh, Tamilnadu and Puducherry. The Department of Shipping informed that potential of inland water transport (IWT) corridors if developed with required IWT infrastructure namely fairway, navigational aids and terminals, can offer alternative/supplementary mode of transport vis-à-vis rail and road modes. Since waterways generally do not provide door-to-door service independently, it is necessary that these are connected with rail and/or road mode for total transport linkages to the user.

12. The Committee was further informed that each IWT corridor (waterways) has specific characteristics and developmental needs, to become viable mode of transport. Several Committees (viz. Gokhale Committee, Bhagavati Committee and National Transport Policy Committee) have studied IWT system of the country since independence from time to time and have advocated systematic development of the IWT mode. National Transport Policy Committee in its report (1980) accordingly recommended for setting up of an authority for development and regulation of inland waterways. Accordingly, Inland Waterways Authority of India (IWAI) was constituted in October, 1986. Techno-economic feasibility studies have been made for different waterways from time to time which establish viability of this mode by developing a particular waterway with above stated IWT infrastructure to act as supplementary/alternative mode. Further, the proposed National Waterway will provide an alternative mode of transportation for movement of

commodities between ports of Chennai, Ennore and Kakinada and various hinterland cities namely Wazirabad, Vijayawada, Rajahmundry, Polavaram, Eluru, Nellore, Ongole and Puducherry. It will also facilitate decongestion of roads, fuel savings, provide better environment corridor, ensure better port-hinterland connectivity, generate employment among weaker sections of the society and increase tourism activities in the region.

13. The Department of Shipping further submitted that the fundamental requirement for growth of IWT sector is development of waterways with basic IWT infrastructure namely fairway with adequate depth, navigational aids for day and night navigation and terminals with mechanical handling facilities and connectivity with rail and road to enable the waterways to provide a cost effective mode of transport. However, ownership and operation of cargo and passenger vessels should be in private hands. Therefore, in addition to putting up infrastructure, it is also required to provide necessary conditions conducive to private sector participation in IWT operations. IWAI is concentrating on providing full infrastructure in the existing National Waterways in order to make them fully functional. The following steps/measures are also being taken up for giving boost to Inland Water Transport Sector:

- Encouraging private sector in development, operation and management of IWT infrastructures.
- Providing facilitative framework for increasing IWT fleet under private ownership by way of providing Inland Vessel Building Subsidy and forming Inland Vessel Leasing Company with the support of financial institutions and private sector.
- Attracting/promoting cargo transportation by IWT mode by way of demonstrative voyages/ fixed schedule sailings by IWAI, attracting multi-modal operators to IWT and providing funding for operating IWT vessels.
- Encouraging States to develop their potential waterways through liberal assistance under Centrally Sponsored Scheme.

14. The Committee wanted to know the overall, region - wise plan for development for proposed waterway including augmentation of infrastructure, the Department Shipping informed that out of the total length of 1095 km of the proposed waterway, 907 km falls in Andhra Pradesh, 186 km in Tamil Nadu and 2 km in Puducherry. The Godavari river, the Krishna river, the Buckingham canal and the Kaluvelly Tank stretches of the waterway are proposed to be developed for a fairway of 32 m bottom width and 1.8 m depth whereas the irrigation canals namely Kakinada canal, Eluru canal and Commamur canal for a bed width of 14 m. and depth of 1.6 m. Terminals are proposed to be set up at Rajahmundry, Pochavaram, Bhadrachalam in river Godavari, Wazirabad, Muktiyala and Vijayawada in river Krishna and at Kakinada, Eluru, Tadepalligudem, Kottapatnam, Maipadu, Durgarajupatnam, Chennai and Puducherry in the canal portion. Once fully developed the waterway would be operational for 24 hrs navigation. The techno-economic feasibility (TEF) study for the project has been carried out through the Consultant M/s RITES, New Delhi during 1998. The TEF study gives a projected cargo of 3.04 million tons, 4.95 million tons and 6.42 million tons for the 1st year, 5th year and 10th year after fully developing the waterway. In order to get the present status a study for preparation of detailed project report (DPR) is underway through the Consultant M/s

WAPCOS. The planning and implementation of the project would be made based on the project components identified as per the DPR study. The requisite monitoring system will be worked out after declaration of the waterway as a National Waterway.

15. On a query regarding the estimated cost for development of the waterway and likely generation of the revenue after its full development, the Department of Shipping informed that the project cost is estimated at Rs.542 crore (2002 rate). Besides recurring cost to the tune of Rs.11 crore approximately is also estimated to be carried out for annual maintenance of fairway and terminals. The Consultant has estimated that Rs.56 crore annual earnings will be generated in the initial years after full development of the waterway with necessary infrastructure facilities by way of revenue collected in the form of cargo handling charges, berthing charges, mooring charges, storage/warehousing charges etc.

16. The Committee wanted to know whether the Department of Shipping has consulted the Government of Andhra Pradesh, Tamil Nadu and Puducherry before the introduction of the Bill, in their reply, the Department of Shipping informed that the State Governments of Andhra Pradesh and Tamil Nadu have been consulted. The then Secretary, Ministry of Shipping vide D.O. letter dt. 11.7.2002 addressed to the Chief Secretaries of both the States informed about the intention to declare the waterway as National Waterway and seeking their participation in the project by way of transfer of lands, etc. The State Government of Tamil Nadu *vide* letter dt. 13.8.2002 informed that the State Government is interested in taking up the project in general. The State Government of Andhra Pradesh *vide* letter dt. 04.03.2003 conveyed their acceptance to the participation in the project. The proposal was discussed with the officials of the State Governments of Andhra Pradesh and Tamil Nadu in a meeting held on 09.07.2003 and further a meeting was held with the Chief Secretary of Tamil Nadu on 30.06.2006 on various issues pertaining to the declaration proposal. Various issues related to the development of proposed National Waterway such as delineation survey for assessing the quantum of land acquisition for widening of canal, right of way (ROW) already available, setting up of special revenue unit, providing navigational structure at Polavaran and Pulichintala Dams under construction, assistance for Detailed Project Report and Environmental Impact Assessment (EIA), Liaison office at Vijayawada etc. were discussed by the Inland Waterways Authority of India with the State Government of Andhra Pradesh on 23.09.2006 at Hyderabad. Before, introducing the Bill in the Parliament, a letter dated 25.8.2006 was also written by the Minister of Shipping, Road Transport and Highways to the Chief Ministers of Andhra Pradesh, Tamil Nadu and Puducherry about the intention of the Government to introduce the Bill in the Parliament to declare the proposed Waterway as a National Waterway.

17. As regards, the stake of the State Governments on the proposed National Waterway and the details of the pending riparian disputes amongst these States, the Department of Shipping submitted that the existing usage of water in the canal and rivers, in particular the irrigation interest, will continue to be facilitated by the concerned State Governments. The Department is not aware of any riparian dispute between the State Governments in the region. The fairway development (for navigation) will be done without hampering the existing water usages including irrigation interests of the concerned States.

18. On a specific query as to why State Governments are not taking interest in the development and maintenance of IWT sector, the Department of Shipping intimated that IWT sector remain neglected in the entire country for a very long time due to which Central Government as well as State Governments did not give priority for its development. After formation of IWAI in October, 1986, the Central Government/ State Governments started giving attention for development of National Waterways. However, due to fund

constraints due attention was not paid for development of waterways other than National Waterways. After revision of assistance pattern under Central Sponsored Scheme for IWT development in October, 2002 where 100% grant to NE States and 90% grant to other States was made applicable, many States have already shown great interest in development of IWT mode. From 2003-04 the Central Government has sanctioned onwards 33 projects of 14 States and Rs.48 crore have also been released to these States for progress of sanctioned projects.

19. As regards, the steps taken to motivate the State Government for development and maintenance of IWT sector in the country, the Department of Shipping in their written replies, submitted that considering the interests shown by the States in developing IWT sector through revised Central Sponsored Scheme, it is necessary that this scheme is continued on a long term basis to generate further confidence among the States. It is also necessary that IWT organization in all the Riverine and Coastal States are strengthened in a time bound manner. These aspects have already been impressed upon the States through forums such as Maritime States Development Council (MSDC), IWT Development Council and interaction done by IWAI with these States. In addition concerned States are continuously consulted/involved in development of existing National Waterways as well as in the preparation of development plans for other waterways.

20. The Committee has been informed that considering the interests shown by the States in developing IWT sector through revised Central Sponsored Scheme, it is necessary that this scheme is continued on a long term basis to generate further confidence among the States. All Riverine and Coastal States are consulted through fora such as Maritime States Development Council (MSDC), IWT Development Council and interaction done by IWAI etc. In addition, concerned States are continuously consulted/ involved in development of existing National Waterways as well as in the preparation of development plans for other waterways.

21. The Committee notes that the Inland Water Transport (IWT) is one of the oldest, fuel efficient, cost-effective and environment friendly mode of transport. Unfortunately, the potential of IWT remains largely unexplored due to the indifferent attitude of the Central and State Governments. Although, the Department of Shipping is committed to increase the share of IWT in the country's total EXIM trade, still the waterways are not being utilized and remain largely neglected and underdeveloped for want of required infrastructure namely fairways, terminals and navigable aids, as a result, it has not reached at a threshold level to become commercially viable. The Committee is of the view that with adequate investments, policy framework and focused approach, the IWT in the country, can be developed into a viable mode complementary to the rail and road modes. The Committee is also of the opinion that if the Government is serious enough to develop the IWT sector then it must sincerely put efforts to implement the policy framework and minimize the procedural bottlenecks. Besides, provision of adequate investments both from the public and private partnership should be generated to develop it to a level where private sector feels confident enough to invest in this sector particularly, in ownership and operation of cargo and passenger vessels. The Committee, therefore, recommends the Government to provide institutional framework for development of IWT sector in the country so as to increase the capacity of IWT agencies, commercialization of IWT industries, increased cost recovery through user charges and creation of a vibrant IWT sector in the country.

22. The Committee notes with concern that Research and Development Studies facilities especially in design of vessels and night navigation facilities and identification of economically viable routes for development of Inland Water Transport sector has not been given due consideration. The Committee is of

the view that Research and Development activities is the backbone for success of any sector and recommends the Government to strengthen the Research & Development facilities for the desired development of Inland Water Transport Sector in the country. The Committee also urges that Research and Development studies should be conducted for making assessment of the impact of the increased inland water transport activities on the aqua-marine life since livelihood of many people depends on it.

23. The Committee notes that the proposed National Waterway would also provide better environment corridor, port hinterland connectivity, generate employment and increase tourism activities in the region. The Committee observes that since waterways do not provide door-to-door service independently, it is expedient that these are connected with rail or road modes for total transport linkages to the user. The Committee, therefore, recommends the Government to improve the total modal mix of transport in the country and prepare the road map for integrated transport policy to include IWT, Coastal Shipping, Road Transport and Highways and Railways.

24. The Committee notes that a consultant has been appointed for preparation of techno-feasibility study and detailed project report (DPR) for the Waterway. The Committee also notes that the further details are being collected in consultation with the State Governments. The Committee finds that the developmental plans of these waterways are being worked out on the basis of the DPR. The Committee, however, notes that no land acquisition is involved for the proposed waterways. The Committee hopes that as stated by the Government, the interest of the concerned States would not be compromised due to development of proposed national waterway.

25. The Committee notes that IWT vessels once start plying in large number would require repair facilities on this waterway on the demand propelled by the market forces. The Committee recommends the Department to prepare an action plan for meeting the growing demands of repair and service facilities of IWT vessels on all the national waterways.

26. Finally, the Committee notes that there were some reservations on the part of the State Governments of Andhra Pradesh and Tamil Nadu concerning the interests of the respective States about which IWAI informed the Committee that the issues have been discussed with these States and differences have been resolved. However, the Committee recommends that before sending the notice for consideration and passing of the Bill in its present form to Lok Sabha the concurrence of the concerned States and Union Territory be obtained after resolving their reservations, if any, and then only the Bill be proceeded further for being passed by both the Houses of Parliament.

27. Subject to the recommendations in the foregoing paras the Committee adopted clauses 2,3 and the schedule without suggesting any amendments therein.

28. In clause 1(1) for "Pondicherry" the word "Puducherry" and for the figure "2006" the figure "2007" be substituted which will automatically substitute the word "Pondicherry" and the figure in the short title of the Bill from "Pondicherry" to "Puducherry" and "2006" to "2007".

29. In the enacting formula the words 'Fifty Seventh' be substituted by 'Fifty Eighth'.

30. The Committee recommends that the Bill be passed in its present form with formal amendments, subject to what is stated in para 26. However, the Committee hopes that while implementing the provisions of the Bill, the recommendations made by the Committee in the foregoing paragraphs will be given due consideration so that the purpose of declaration of the proposed National Waterway should not be defeated.

The Committee also recommends that due consultations and concurrence of the State Governments be also taken in preparing developmental plans and on other related issues for the proposed National Waterway.

OBSERVATIONS/CONCLUSIONS/RECOMMENDATIONS AT A GLANCE

The Committee notes that the Inland Water Transport (IWT) is one of the oldest, fuel efficient, cost-effective and environment friendly mode of transport. Unfortunately, the potential of IWT remains largely unexplored due to the indifferent attitude of the Central and State Governments. Although, the Department of Shipping is committed to increase the share of IWT in the country's total EXIM trade, still the waterways are not being utilized and remain largely neglected and underdeveloped for want of required infrastructure namely fairways, terminals and navigable aids, as a result, it has not reached at a threshold level to become commercially viable. The Committee is of the view that with adequate investments, policy framework and focused approach, the IWT in the country, can be developed into a viable mode complementary to the rail and road modes. The Committee is also of the opinion that if the Government is serious enough to develop the IWT sector then it must sincerely put efforts to implement the policy framework and minimize the procedural bottlenecks. Besides, provision of adequate investments both from the public and private partnership should be generated to develop it to a level where private sector feels confident enough to invest in this sector particularly, in ownership and operation of cargo and passenger vessels. The Committee, therefore, recommends the Government to provide institutional framework for development of IWT sector in the country so as to increase the capacity of IWT agencies, commercialization of IWT industries, increased cost recovery through user charges and creation of a vibrant IWT sector in the country. (Para 21)

The Committee notes with concern that Research and Development Studies facilities especially in design of vessels and night navigation facilities and identification of economically viable routes for development of Inland Water Transport sector has not been given due consideration. The Committee is of the view that Research and Development activities is the backbone for success of any sector and recommends the Government to strengthen the Research & Development facilities for the desired development of Inland Water Transport Sector in the country. The Committee also urges that Research and Development studies should be conducted for making assessment of the impact of the increased inland water transport activities on the aqua-marine life since livelihood of many people depends on it.(Para 22)

The Committee notes that the proposed National Waterway would also provide better environment corridor, port hinterland connectivity, generate employment and increase tourism activities in the region. The Committee observes that since waterways do not provide door-to-door service independently, it is expedient that these are connected with rail or road modes for total transport linkages to the user. The Committee, therefore, recommends the Government to improve the total modal mix of transport in the country and prepare the road map for integrated transport policy to include IWT, Costal Shipping, Road Transport and Highways and Railways.(Para 23)

The Committee notes that a consultant has been appointed for preparation of techno-feasibility study and detailed project report (DPR) for the Waterway. The Committee also notes that the further details are being collected in consultation with the State Governments. The Committee finds that the developmental plans of these waterways are being worked out on the basis of the DPR. The Committee, however, notes that no land acquisition is involved for the proposed waterways. The Committee hopes that as stated by the

Government, the interest of the concerned States would not be compromised due to development of proposed national waterway.(Para 24)

The Committee notes that IWT vessels once start plying in large number would require repair facilities on this waterway on the demand propelled by the market forces. The Committee recommends the Department to prepare an action plan for meeting the growing demands of repair and service facilities of IWT vessels on all the national waterways.(Para 25)

Finally, the Committee notes that there were some reservations on the part of the State Governments of Andhra Pradesh and Tamil Nadu concerning the interests of the respective States about which IWAI informed the Committee that the issues have been discussed with these States and differences have been resolved. However, the Committee recommends that before sending the notice for consideration and passing of the Bill in its present form to Lok Sabha the concurrence of the concerned States and Union Territory be obtained after resolving their reservations, if any, and then only the Bill be proceeded further for being passed by both the Houses of Parliament.(Para 26)

Subject to the recommendations in the foregoing paras the Committee adopted clauses 2,3 and the schedule without suggesting any amendments therein. (Para 27)

In clause 1(1) for “Pondicherry” the word “Puducherry” and for the figure “2006” the figure “2007” be substituted which will automatically substitute the word “Pondicherry” and the figure in the short title of the Bill from “Pondicherry” to “Puducherry” and “2006” to “2007”.(Para 28)

In the enacting formula the words ‘Fifty Seventh’ be substituted by ‘Fifty Eighth’. (Para 29)

The Committee recommends that the Bill be passed in its present form with formal amendments, subject to what is stated in para 26. However, the Committee hopes that while implementing the provisions of the Bill, the recommendations made by the Committee in the foregoing paragraphs will be given due consideration so that the purpose of declaration of the proposed National Waterway should not be defeated. The Committee also recommends that due consultations and concurrence of the State Governments be also taken in preparing developmental plans and on other related issues for the proposed National Waterway. (Para 30)

ANNEXURE

AS INTRODUCED IN LOK SABHA

on 8th DECEMBER, 2006

Bill No. 93 of 2006

THE NATIONAL WATERWAY (KAKINADA-PONDICHERRY STRETCH OF CANALS AND THE KALUVELLY TANK, BHADRACHALAM-RAJAHMUNDRY STRETCH OF RIVER GODAVARI AND WAZIRABAD-VIJAYAWADA STRETCH OF

RIVER KRISHNA) BILL, 2006

A

BILL

to provide for the declaration of the Kakinada-Pondicherry stretch of canals comprising of Kakinada canal, Eluru canal, Commamur canal, Buckingham canal and the Kaluvelly tank, Bhadrachalam-Rajahmundry stretch of river Godavari and Wazirabad-Vijayawada stretch of river Krishna in the States of Andhra Pradesh and Tamil Nadu and the Union Territory of Pondicherry to be a national waterway and also to provide for the regulation and development of the said stretch of the rivers and the canals for purpose of shipping and navigation on the said waterway and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:-

1. (1) This Act may be called the National Waterway (Kakinada-Pondicherry Stretch of Canals and Kaluvelly Tank, Bhadrachalam-Rajahmundry Stretch of River Godavari and Wizirabad-Vijayawada Stretch of River Krishna) Act, 2006. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Declaration of certain stretches of rivers and canals as National Waterway. 2. The Kalkinada-Pondicherry stretch of canals comprising of Kalinada canal, Eluru canal, Commamur canal, Buckingham canal and the Kaluvelly tank, Bhadrachalam-Rajahmundry stretch of river Godavari and Wizirabad-Vijayawada stretch of river Krishna, the limits of which are specified in the Schedule, is hereby declared to be a National Waterway.

Declaration as to expediency of control by the Union of certain stretches of rivers and canals as National Waterway. 3. It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation and development of Kakinada-Pondicherry stretch of canal comprising of kakinada canal, Eluru canal, Commamur canal, Buckingham canal and Kaluvelly tank, Bhadrachalam- Rajahmundry stretch of river Godavari and Wazirabad-Vijayawada stretch of river Krishna for purposes of shipping and navigation on the national waterway to the extent provided in the Inland Waterways Authority of India Act, 1985. 82 of 1985.

THE SCHEDULE
(See section 2)

LIMITS OF THE NATIONAL WATERWAY (KAKINADA-PONDICHERRY STRETCH OF CANALS AND KALUVELLY TANK, BHADRACHALAM-RAJAHMUNDRY STRETCH OF RIVER GODAVARI AND WAZIRABAD-VIJAYAWADA STRETCH OF RIVER KRISHNA)

Kakinada-Pondicherry canal

(Canal system consisting of Kakinada canal, Eluru canal, Commamur canal and North Buckingham canal, portion of the Coovum river linking North and South Buckingham canals, South Buckingham canal and Kaluvelly tank)

Northern limit	A line drawn across the Kakinada canal parallel to the Jagannadhapuram road bridge, Kakinada at a distance of 500 metres down stream at Lat 16° 56'24"N, Lon 82° 14'20"E.
Southern limit	Junction of East Coast Highway and Chinnakalawari-Kanakachettikulam road and Kanakachettikulam which is the end point of the artificial canal link to Kaluvelly tank at Lat 12° 02'36"N, Lon 79° 52'12"E.

River Godavari

Western limit	Road bridge at Bhadrachalam across river Godavari at Lat 17° 40'39"N, Lon 80° 52'52"E.
Eastern limit	Sir Arthur Cotton barrage across river Godavari at Dowlaiswaram, Rajahmundry at Lat 16° 56'05"N, Lon 81° 45'32"E.

River Krishna

Western limit	Road bridge at Wazirabad across river Krishna at Lat 16° 40'50"N, Lon 79° 39'29"E.
Eastern limit	Prakasam barrage across river Krishna at Vijayawada at 16° 30'18"N, Lon 80° 36'23"E.

STATEMENT OF OBJECTS AND REASONS

In the absence of suitable organisation and paucity of resources with the State Governments, the development of Inland Water Transport has not made much headway. There are certain advantages in this mode of transport, such as, low cost transport, energy efficiency, generation of employment among weaker sections of the community and its eco-friendly nature. Various committees set up by the Government for the purpose of looking into this matter recommended that the Central Government should declare certain waterways as national waterway and stand assume responsible for their development.

2. The Central Government have accordingly constituted the Inland Waterways Authority of India

under the Inland Waterways Authority of India Act, 1985 (82 of 1985), for the regulation and development of inland waterways for purposes of shipping and navigation. Allahabad-Haldia stretch of the Ganga-Bhagirathi-Hooghly River, Sadiya-Dhubri stretch of the Brahmaputra river and Kollam-Kottappuram stretch of West Coast Canal along with Champakkara and Udyogamandal Canals have already been declared as national waterways by the National Waterway (Allahabad-Haldia Stretch of the Ganga-Bhagirathi-Hooghly River) Act, 1982, (49 of 1982), the National Waterway (Sadiya-Dhubri Stretch of the Brahmaputra River) Act, 1988 (40 of 1988) and the National Waterway (Kollam-Kottappuram Stretch of West Coast Canal and Champakkara and Udyogamandal Canals) Act, 1992 (25 of 1992), respectively. Consequently, Inland Waterways Authority of India has taken up the development, maintenance and management of these waterways.

3. It is now proposed to declare Kakinda-Pondicherry stretch of canals comprising of Kakinada Canal, Eluru Canal, Commamur Canal, Buckingham Canal and Kaluvelly Tank along with Bhadrachalam-Rajahmundry stretch of Godavari river and Wazirabad-Vijayawada stretch of the Krishna river as a National Waterway, Infrastructural facilities currently available on this waterway are not adequate for safe, convenient and sustained shipping and navigation by large mechanised crafts. Therefore, the waterway is required to be developed by providing adequate infrastructure for safe, convenient and sustained shipping operations. The regulation and development of the proposed national waterway under the control of the Union for the purposes of shipping and navigation is in the public interest and declaration to that effect has also been made in this Bill.

4. The Bill seeks to achieve the above objects.

NEW DELHI;
The 24th November, 2006

T. R. BAALU.

PRESIDENTS RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. NW-12013/1/2004-IWT (Vol.II), dated the 24th November, 2006 from Shri T.R. Baalu, Minister of Shipping, Road Transport and Highways to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the proposed National Waterway (Kakinada Pondicherry Stretch of Canals and the Kaluvelly Tank, Bhadrachalam-Rajahmundry Stretch of River Godavari and Wazirabad-Vijayawada Stretch of River Krishna) Bill, 2006 recommends under article 117(3) of the Constitution of India, the consideration of the Bill by Lok Sabha.

FINANCIAL MEMORANDUM

The regulation and development of the proposed national waterway will be carried out by the Inland Waterways Authority of India constituted under the Inland Waterways Authority of India Act, 1985 (82 of 1985). Consequently, three distinct functions namely, development, maintenance and management of the proposed waterway will devolve on the Inland Waterways Authority of India. It has been visualized that inland water transport traffic to the tune of 6.42 million tones is likely to be carried on the proposed national

waterway after its full development by the year 2011-12. This traffic is expected to be handled at 14 terminals, namely Bhadrachalam, Pochavaram, Rajahmundry, Wazirabad, Muktiyala, Vijayawada, Eluru, Tadepalligudem, Kakinada, Kottapatnam, Maipadu, Durgarajupatnam, Chennai and Pondicherry. The development of the rivers and canals along with provision of infrastructural facilities for purposes of shipping and navigation to handle the above mentioned traffic includes development of the waterway of navigation, channel marking, construction of terminals, transit sheds, installation of handling equipment, etc. It is estimated that the expenditure with respect to the said development will be of the order of Rs.542.00 crores which will be of a non-recurring nature.

2. In addition, it is estimated that an expenditure of recurring of the order of Rs.11.10 crores annually will be incurred for operating the waterway and terminals.

LOK SABHA

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BILL

to provide for the declaration of the Kakinada-Pondicherry stretch of canals comprising of Kakinada canal, Eluru canal, Commamur canal, Buckingham canal and the Kaluvelly tank, Bhadrachalam-Rajahmundry stretch of river Godavari and Wazirabad-Vijayawada stretch of river Krishna in the States of Andhra Pradesh and Tamil Nadu and the Union Territory of Pondicherry to be a national waterway and also to provide for the regulation and development of the said stretch of the rivers and the canals for purpose of shipping and navigation on the said waterway and for matters connected therewith on incidental thereto.

(Shri T. R. Baalu, Minister of Shipping, Road Transport and Highways)

MINUTES

XIX

NINETEENTH MEETING

The Committee met at 3.00 P.M. on Wednesday, the 18th July 2007 in Committee Room A, Ground Floor, Parliament House Annexe, New Delhi.

MEMBERS PRESENT

1. **Shri Sitaram Yechury** – *Chairman*

RAJYA SABHA

2. Prof. Ram Deo Bhandary
3. Shri S.S. Chandran
4. Prof. Alka Balram Kshatriya
5. Shri Janardhana Poojary
6. Shri Shatrughan Sinha

LOK SABHA

7. Shri Anandrao Vithoba Adsul
8. Shri Joachim Baxla
9. Shri Sartaj Singh Chhatwal
10. Shri N.S.V.Chitthan
11. Shri Adhir Chowdhury
12. Dr. K.Dhanaraju
13. Shri P. Karunakaran
14. Shri Vijay Kumar Khandelwal
15. Dr. P.P.Koya
16. Dr. Ramkrishna Kusmaria
17. Shri Samik Lahiri
18. Shri Alok Kumar Mehta
19. Shri Hemlal Murmu
20. Shri Madan Lal Sharma
21. Shri Dushyant Singh
22. Shri Prahlad Joshi

SECRETARIAT

Shri Shamsher Singh, Joint Secretary

Shri J.G. Negi, Joint Director

Shrimati Subhashree Panigrahi, Assistant Director

REPRESENTATIVES OF THE DEPARTMENT OF ROAD TRANSPORT AND HIGHWAYS:

Shri Vijay Singh, Secretary

Shri S.K. Dash, Joint Secretary

Shri S.B. Basu, Chief Engineer

Shri Arvind Kumar, Adviser (TR)

Shri Anand Prakash, Director

REPRESENTATIVES OF THE MINISTRY OF LAW AND JUSTICE (LEGISLATIVE DEPARTMENT):

Dr. Sanjay Singh, Joint Secretary & Legislative Counsel

Shrimati Sharda Jain, Additional Legislative Counsel

2. At the outset, the Committee decided to take up for consideration and adoption of the two draft Reports on the (i) National Waterway (Talcher-Dhamra Stretch of Rivers Geonkhali-Charbatia Stretch of East Coast Canal, Charbatia-Dhamra Stretch of Matai River and Mahanadi Delta Rivers) Bill, 2006; and (ii) National Waterway (Kakinada-Pondicherry Stretch of Canals and the Kaluvelly Tank, Bhadrachalam-Rajahmundry Stretch of River Godavari and Wazirabad-Vijayavada Stretch of River Krishna) Bill, 2006. After consideration and some discussion the Committee adopted both the Reports without any change. The Committee also authorized its Chairman to fix the date and nominate the names of Members of the

Committee for presentation of these two Reports to the Parliament during the ensuing Monsoon session.

3. * * *

4. * * *

5. The meeting of the Committee then adjourned at 4.15 p.m.

* Relates to other matters.