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Decision to raise toll stays

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THE Government will proceed with the decision to raise toll rates at four expressways after the Chinese New Year next month, amid calls by some road users not to do so.

Prime Minister Datuk Seri Dr Mahathir Mohamad said this is in accordance with the terms of the agreements signed by the Government with the concessionaires before work on the four expressways begins.

"When we decided to privatize these expressways, we had agreed to an increase in toll rates to help them finance the investment costs of constructing them," he told reporters after a Hari Raya open house at his official residence in Kuala Lumpur yesterday.

The North-South Expressway, Elite Expressway, Shah Alam-Kajang Expressway and Kulim-Butterworth Expressway will see a rise in toll rates. Dr Mahathir said the increase in the toll rates is considered small, bearing in mind that the Government is shouldering 60 per cent of the actual amount sought by the concessionaires.

"If we were to follow the stipulated conditions in the agreement, the increase would have been much higher. However, the Government had decided to shoulder 60 per cent of the increase in the toll rates after taking into account the plight of the people during the current economic crisis," he said, adding that road users need only pay the remaining 40 per cent.

"If we don't go ahead with the increase in the toll rates (this time), then the Government will have to shoulder and pay 100 per cent of the actual amount sought by the concessionaires in accordance with the agreement. This means that the Government will not be able to finance other projects such as rural development (due to a lack of funds) in the future," Dr Mahathir said.

Earlier, Works Minister Datuk Seri S. Samy Vellu described the proposed increase in toll rates as "very reasonable".

"It is not a question of a few dollars more, but that of a few sen more. As such, the proposed increase is small," he added.

He explained that the Government needs to go ahead with the increase in the toll rates "or else, we may have to go for more borrowings".

"Then we may have to just stop other projects. And this would mean using all the Government's money to pay for road subsidies," he said.

He said in 1997, the Government had to shoulder some RM80 million when it declined to raise toll rates at the four expressways and last year, another RM240 million was spent.

"However, the Cabinet had finally decided that the Government's burden should be shared by road users as well. That's the decision it has made recently.

"This is also to ensure that the Government will continue to build other expressways to ensure that conducive traffic management is carried out between Kuala Lumpur and all major suburban areas such as Petaling Jaya," he added.

Samy Vellu said the Cabinet holds the view that the Government is currently shouldering expenses amounting to RM160 million for the North-South Expressway, RM20 million for the Kulim-Butterworth Expressway and RM3 million for the Elite Expressway.

"All in all, about RM250 million is being spent by the Government for the sake of subsidising road users. And this is only for one year," he added.

Samy Vellu said Treasury is currently negotiating with Projek Lebuhraya Utara Selatan Bhd (PLUS) to find ways to solve the increase in the toll rates issue.

"It was suggested that instead of raising the toll rates for the remaining 18 years, PLUS would extend their period of concession. However, it is found that this won't work.

"The reason being that no bank will lend money for 30 years. All bank loans must be settled within the first 15 years," he added.

Thus, Samy Vellu said, even if PLUS were given an addition five years, 10 years or 20 years, "it is not going to make any difference".

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