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Samy-Tol

GOVT RENEGOTIATING CONCESSION AGREEMENT WITH PLUS- SAMY VELLU

KUALA LUMPUR, Feb 24 (Bernama) -- The Government has begun renegotiating the concession agreement with Projek Lebuhraya Utara Selatan (PLUS) with a view to extending the concession period and providing for toll rates to be increased once in five years instead of annually as at present.

Announcing this today, Works Minister Datuk Seri S.Samy Vellu said the talks were also to ensure that there was no further increase in toll after 2016.

Plus had earlier agreed to renegotiate the concession agreement, Samy Vellu told a post Cabinet meeting news conference here.

"For the present, the renegotiation which also involved the Finance Ministry is only with PLUS Bhd because it is the biggest of such companies and the North South Highway is used by many motorists," he said,

Samy Vellu also announced the new toll rates for the North-South Highway approved by the Cabinet last month, the North-South Central Link, Shah Alam Expressway and the Butterworth-Kulim Expressway.

The new rates represent an increase of between six and 30 per cent.

He said motorists would be facing an increase of 28 per cent over the prevailing toll rate if the rate was increased once in five years compared to 36 per cent if the increase were to be every year.

New Toll Rates Effective from March 1

1. North-South Highway/North South Central Link

Current Rate	New Rate
Class 1 10.6 sen per kilometre	11.24 sen per kilometre
Class 2 15.9 sen	16.85 sen
Class 3 21.2 sen	22.47 sen
Class 4 3.75 sen (5.3 sen Elite)	5.62 sen
Class 5 7.95 sen	8.43 sen

2. Shah Alam Expressway

Class 1 RM1	RM1.20
Class 2 RM1.50 sen	RM1.80
Class 3 RM2	RM2.40
Class 4 50 sen	60 sen
Class 5 80 sen	90 sen

3. Butterworth-Kulim Expressway - Kubang-Semang Toll Plaza

Class 1 80 sen	RM1.10 sen
Class 2 RM1.60 sen	RM2.20
Class 3 RM2.40	RM3.30
Class 4 40 sen	55 sen
Class 5 80 sen	RM1.10 sen

4. Butterworth-Kulim Expressway - Lunas Toll Plaza

Class 1 80 sen	RM1
Class 2 RM1.60	RM2
Class 3 RM2.40	RM3
Class 4 40 sen	50 sen

The increase in toll rates at four highways is effective from March 1 while the reduction in the toll rate from RM1.50 to RM1 at the Damansara-Puchong Highway as announced by Prime Minister Datuk Seri Dr Mahathir Mohamad last month is also effective from March 1.

On the extension of the concession period which was being renegotiated, Samy Vellu said the government was considering a specific period but he declined to say long it would be, pointing out that talks were still in progress and it involved loan repayment by Plus. The present concession period is 30 years.

The concession agreement signed between the government and UEM (M) Bhd in March of 1988 provided for the toll rate to be increased by six per cent annually from Jan 1, 1997.

Samy Vellu said the renegotiations would take sometime as it involved dollars and cents and the outcome would benefit all concerned.

Under the renegotiated agreement, Plus would not be allowed to raise toll rates if a certain number of vehicles used the highway during a specific period or if the company started to make profits, Samy Vellu said.

He said new concession holders would not be allowed to increase toll rates annually for instance the next increases in the LDP would be in 2007 and 2015.

Samy Vellu also said the government had to pay a total compensation of RM199.71 million to the concession holders for not allowing them to increase the toll rates to the extent demanded by them.

"This clearly shows that the government is very concerned about the financial position of motorists and hence it has fixed a fair and reasonable toll rate," he said.

He said the government would have to pay RM87 million to PLUS, RM6.38 million to Expressway Lingkar Tengah Sdn Bhd (Elite), RM13.6 million to Malaysia-Thailand Development (Gombak-Karak Highway), RM7.75 million for the Penang Bridge concessionaire and RM85 million for the Damansara-Puchong Highway concessionaire.

Samy Vellu said if toll rate increase was not allowed at all, the government would have to pay a total compensation of RM286.3 million annually -- RM145 million to Plus, RM12.43 million to Elite, RM18.83 million to KESAS (Shah Alam Expressway) and Butterworth-Kulim Expressway concessionaire (RM3.78 million).

The new toll rate at Plus and Elite is 11.24 sen per kilometre or an increase of 0.74 sen per kilometre for Class One vehicles (Cars) while the rate is increased by 10 sen at the Batu Tiga Toll Plaza and Sungai Rasa Toll Plaza -- from 80 sen to 90 sen and 70 sen to 80 sen respectively.

On the Shah Alam Expressway the rate for cars is RM1.20 compared to RM1 at present. On the Butterworth-Kulim Expressway, the toll rate at Kubang Semang Toll Plaza is RM1.10 (80 sen old rate) and RM1 (80 sen old rate) at Lunas Toll Plaza.

Asked why the government had allowed a full increase as demanded by the concessionaires for the Shah Alam Expressway and the Butterworth-Kulim Expressway, Samy Vellu said they practised the open toll collection system and imposed a flat rate.

He said motorists still had an alternative to use ordinary roads if they could not afford to pay toll.

"The Government will continue to upgrade Federal roads. We expect the traffic volume in these roads to increase very much over the next 10 years," he said.

On the protest over the increase in toll rates, Samy Vellu said there had been fewer protests and involved more the opposition parties whereas businessmen and others were continuing to use the highways.

-- BERNAMA
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