

Pakatan wants concessions reviewed, not toll freeze

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A freeze on highway toll rates in 2014 is only a temporary measure as the government cannot afford to continue to compensate the concessionaires, said Pakatan Rakyat.

Instead, the opposition coalition urged the government to renegotiate the concession agreements to ensure that concession holders who have already recouped investments do not keep raising tolls.

According to PKR strategy director Rafizi Ramli (left), the agreements should be reviewed on two aspects - whether investments are recouped as well as the number of vehicles using the highways and costs of operations and maintenance.

In a statement, he added that as it stands, several concessionaires have profits of 50-60 percent of investments and this shows that existing agreements are lopsided.

"If concessions continue to be lopsided and the two aspects are not taken into account, I am sure we will be facing toll rate hikes in 2015," said the Pandan MP.

Yesterday, Deputy Prime Minister Muhyiddin Yassin announced that the government will fork out RM400 million to compensate highway concessionaires in order to freeze toll hikes nationwide in 2014.

He said this is in accordance with the concession agreements, which are classified under the Official Secrets Act.

Meanwhile, DAP secretary general Lim Guan Eng (right) said that compensating highway concessionaires to save consumers still hurt the public as the RM400 million is borne by taxpayers.

"Why should the few toll concessionaires benefit at the expense of 28 million ordinary Malaysians?" he asked.

He added that this short-term solution also shows that BN did not have a plan to implement its 13th general election manifesto to reduce tolls rates.

"This tactical move for the Kajang by-election shows that BN has completely

forgotten how to govern and is merely approaching its rule day-by-day based not on any principles of public interest but solely on political expediency," he said.

Agreeing with Rafizi, the Penang chief minister pointed out that the Penang Bridge operator has collected RM2 billion, above and beyond its costs of RM1.3 billion and is now sitting on "clean profits".

'Outlaw lopsided gov't contracts'

Separately, DAP's Puchong MP Gobind Singh Deo (left) proposed that such lopsided agreements should be outlawed to avoid future problems.

"There should be limits to profit margins for these contracts and their duration and if there are none, then Parliament should legislate to provide for it.

"Such laws should be designed to deal with contracts which burden the people. These laws should allow such contracts to be reviewed periodically," he said.

The second term MP added that the matter had been raised in Parliament several times with the government promising to find a solution but "nothing has become of it."

"They are, to my mind, not serious in trying to find permanent solutions to the problem," he said.

Kampung Tunku assemblyperson Lau Weng San has urged the government to use the exit clause in the concession agreement to buy back the expressways at current price.

"The benefit of this is that the people need not face toll hikes every few years and at the same time, the government no longer has to pay the concessionaires as it is owned by the government.

"I hope the Works Ministry can be entrusted to negotiate with the concessions company so something like this can be done," he said.

Toll concessionaires understands gov't decision

Meanwhile, in a statement, the Association of Highway Concessionaires Malaysia (PSKLM) said it accepts the government's decision on the matter, understanding that the decision was arrived at to address rising cost of living.

It added that the government's promise of compensation will allow toll concessionaires to meet their financial obligations, and "maintain the level of services and facilities expected of, and currently enjoyed by, highway users".

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