



'Populist' toll freeze may cost rakyat RM64 bil
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The government may end up forking out RM64 billion to compensate Plus Highways Berhad, if it intends to freeze toll rates till the end of the concession term in 2038 as a populist move, said DAP publicity secretary Tony Pua.

Taking the going estimate of RM5 billion in compensation for the recently announced five-year freeze on toll rates on four of Plus' highways, he said it makes no sense for the government to make such an "obscene" pay-out just to keep voters happy.

"Given the circumstances where the government is fearful of increasing any toll rates due to a potential voter backlash, should the toll rates be frozen all the way till the concession expires, the total compensation that needs to be paid over the next 28 years will amount to a mind-boggling RM64 billion," said Pua at a press conference in the parliament lobby today.

Pua (*right*), who is also Petaling Jaya-Utara MP, said it would be more sensible if the government instead takes over Plus Expressways Berhad rather than to allow the Employees' Providence Fund (EPF) and UEM Berhad to buy over the toll concessionaire



Repeating the DAP's proposal to nationalise toll concessionaires, he said it would cost the government RM23 billion to buy-over Plus, based on the RM4.60 per share offer by the UEM-EPF joint venture.

Assuming that the toll rates are then frozen for 14 years, the government would still recoup its investment and allow it to either make the highways toll free or charge just minimal fees for maintenance, he said.

"It absolutely does not make sense for the government to be compensating an obscene amount of RM5 billion to the concessionaire, or possibly even as high as RM64 billion over the entire period, when the cost of directly acquiring Plus will only be RM23 billion as offered by UEM-EPF.

"Unless of course, the government is intent on making Malaysians suffer," he said.



'Restructure concessions'

Meanwhile PKR Machang MP Saifuddin Nasution urged the government to restructure the terms of the concession agreement since the tolled highways will be in their hands after the EPF-UEM buy-over.

"UEM and EPF are owned by government and they are taking over Plus, which means that Plus will be 100 percent owned by the government," said Saifuddin in his Budget 2011 speech.

The Machang PKR parliamentarian (*left*) asked if the government is prepared to "enter negotiation to restructure the concession details..."

"From 2003 to 2008 - the government has compensated Plus RM2.84 billion. In 2008, they made a net profit RM1.08 billion and in 2009 they contributed net profit of RM1.19 billion.

"So Plus has already made enough profit; and so the freeze for five years is not enough," he argued.

Najib's Budget 2011 speech last Friday highlighted a freeze in the earlier planned toll hike on Plus highways, one of many populist moves that prompted critics to label the budget an "election budget".

Earlier, Pua had criticised the planned buy-over of Plus Expressways Bhd saying that while the EPF's main task is to ensure fund contributors receive dividends, Plus was "sucking" ordinary citizens who are paying high toll rates due to lopsided highway concessions.

"This is not the way for EPF to generate returns for the people. The government might as well just create more highways with unfair contracts and let EPF manage them.

Additional reporting by S Pathmawathy.

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