

**Guan Eng: New traffic summons system a rent-seeking venture**  
**The Malaysian Insider**  
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**By Anisah Shukry**

KUALA LUMPUR, April 15 — The automated enforcement system (AES) project for traffic summons is “obviously” a rent-seeking venture as it was not awarded through open competitive tender, Lim Guan Eng said today.

The Edge reported yesterday that two firms have been awarded the contract to implement the enforcement system. ATES Sdn Bhd and Beta Tegap Sdn Bhd will spend between RM300 million to RM400 million each to set up traffic cameras at 831 “black spots” nationwide.

But the DAP secretary-general told The Malaysian Insider that the problem was not that it was outsourced, but that the Road Transport Department (RTD) had dished out the deal to the two companies through closed tender.

“The main issue is, why was there no open competitive tender? Why not award it to the best, most qualified company?” he told The Malaysian Insider.

“Will the project be foolproof? Are they even reliable?”

Lim also expressed concerns that the companies might abuse their power by issuing summons indiscriminately, as it would be their main source of revenue.

Both ATES and Beta Tegap are entitled to RM16 per valid summons for the first five million issued and then split the remaining revenue evenly with the government up to a cap of RM270 million each, The Edge reported.

The firms will each receive 7.5 per cent from the remaining revenue and the government will keep the rest.

According to the weekly, each company will likely issue 10 million valid summonses over a five-year period from which all paid summonses will be deposited into a fund from which the firms will recoup their investment.

The Edge estimated that half the summonses, each carrying a penalty of RM300, will be paid, resulting in a fund size of RM1.5 billion per company. This would amount to RM416 million paid to each contractor.

This would be a handsome return if the companies manage to keep costs closer to RM300 million, even if the entire investment is written down after the five-year concession.

Today, Lim also cited the 17 per cent rate of return given to the companies as further proof of profiteering, given that the usual maximum rate is “eight to ten per cent”.

He added that the best way to address road safety issues was for the RTD to educate the public as well as look into issues such as traffic congestion and road conditions.

Yesterday, The Edge reported that the AES project, which will be put into place in September, has resulted in unhappiness from the police.

But RTD director-general Datuk Solah Mat Hassan told the newspaper the system will only be set up in areas with high incidences of fatal accidents.

“About 6,000 people die in road accidents every year. That’s quite alarming. That is only the fatal accident figures. What about other non-fatal accidents?” he was quoted as saying.

However, The Edge reported that the police is said to be firming up plans to boost its own traffic camera system.

The RTD says unpaid traffic summonses between 2005 to 2009 amounts to RM5.8 billion.

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