

Traffic summons firm says no MCA links
The Malaysian Insider
April 17, 2012
By Shannon Teoh

KUALA LUMPUR, April 17 — Beta Tegap Sdn Bhd, the company awarded the automated traffic summons contract by the Road Transport Department (RTD), has denied any links to political parties and insisted the job is not a sweetheart deal.

MCA president Datuk Seri Dr Chua Soi Lek had yesterday denied any involvement by the MCA in Beta Tegap, saying he has never "heard of this company."

File photo of traffic on a major road in Kuala Lumpur. Beta Tegap said it was not 'enforcers of the automated enforcement system' and the summons would be issued by the relevant authorities.

"We would like to reiterate, as we have stated to The Edge and as published in The Edge Weekly, we have no links to MCA or any other political party.

"We would like to thank Dr Chua for confirming that Beta Tegap Sdn Bhd 'is not a company related to MCA' in his press statement dated April 16, 2012," its chairman Tan Sri Nik Ismail Nik Mohamed said in a statement last night.

He added that the company was not "enforcers of the automated enforcement system (AES)" and the summons would be issued by the relevant authorities.

"With reference to insinuations on how much turnover will be generated from this project, what we have is a basic financial model, which is subject to numerous variables.

"There are no guarantees from the government with regards to this contract and all capital and operating expenditure will be borne by Beta Tegap Sdn Bhd," the retired general said.

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

Both ATES and Beta Tegap are entitled to RM16 per valid summons for the first five million issued. They will 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 business daily, 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.

But the DAP said on Sunday the project was "obviously" a rent-seeking venture as it was not awarded through open tender.

Its secretary-general Lim Guan Eng 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 10 per cent".

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

According to The Edge, the AES project, which will be put in 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 a high incidence 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 are said to be firming up plans to boost their own traffic camera system.

The RTD says unpaid traffic summonses between 2005 and 2009 totalled RM5.8 billion.

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