Draft National Policy on Transport In Sri Lanka

Ministry of Transport

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1. Introduction

An explicit and consistent statement of Government policy on transport is envisaged to be developed based on "Mahinda Chinthana" the macro policy statement where providing priority to public transport and attracting passengers and goods towards larger capacity vehicles which will contribute to efficient usage of resources.

The Ministry of Transport on behalf of the Government of Sri Lanka is responsible for National Policy formulation and enactment on all matters pertaining transport within the National Boundaries of Sri Lanka, including

- Railways
- Highways declared by law as National Highways
- Carriage of passengers and goods by railway, land, sea or air or by national waterways in mechanically propelled vehicles

By virtue of Section 154G (7) of the 13th Amendment to the Constitution, Provincial Councils are not vested with power to make statues with respect to the above set out in the Reserved List. Hence it is held that in addition to policy formulation and enactment, the implementation of any subject or function which has not been explicitly included in the Provincial Council List or Concurrent List can only be enforced by the Government through Acts of Parliament such as the Railway Ordinance, Road Development Authority Act, Motor Traffic Act, Civil Aviation Authority Act, Maritime Act, Sri Lanka Ports Authority Act, National Transport Commission Act etc.

Certain aspects of transport are presently devolved to the Provincial Councils though the 13th Amendment to the Constitution affected in 1989 as per Provincial Council List, which are:

- Regulation of road passenger and goods transport services by motor vehicles within a province
- Provision of road transport services within a province[1]

It is understood that the above allows a Provincial Council to make statues pertaining to the regulation and provision of road transport services within the province provided they are in conformity with the National Policy and Acts of Parliament. It is further understood that two or more Provincial Councils cannot enter into any agreement pertaining to regulation or provision of road transport services between provinces.

As per Section 154G (5 (a) and (b)) of the 13th Amendment to the Constitution which refers to items in the Concurrent List, planning of transport, which is a subject on the Concurrent List, it is interpreted that a particular province may make statues

[1] The term used in this instance in the 13th Amendment to the Constitution is 'Inter-Province'. However as per judgment in case SC 7/89 it has been ruled that inorder for this to be consistent as per virtue of Sections 8 and 21 of the amendment, it should be read as intra-province meaning within the province and not inter-province or between provinces.

applicable to that province with respect to any matter on the Concurrent List after such consultations with Parliament as it may consider appropriate in the circumstances of each case. On the other hand, Parliament may make laws with respect to any matter set out in the Concurrent List after such consultation with all provincial councils as Parliament may consider appropriate in the circumstance of each case.

1.1 Background

This policy documents replaces the National Transport Policy approved by the Cabinet of Ministers on 27th November 1991. In the introduction to this document, 'National Transport' is defined to mean all transportation facilities and organizations, including infrastructure (roads, railway track, terminals, ports and airports), vehicles (road vehicles, railway motive power and rolling stock, aircraft and ships) and the maintenance and operation of these, within the national boundaries of Sri Lanka. This same definition is retained in this Policy statement.

1.2 Agencies of the Ministry

Following the devolution to the Provincial Councils of certain functions, the agencies coming under the Ministry of Transport which are mentioned below, have performed a number of key functions in implementing these policy objectives.

1.2.1 Ministry of Transport

- Formulation of National Policies on Transport and Implementation of Programmes and Projects based on such policies.
- Development of an integrated National Transport System.
- Supervisory control of all Institutions under the Ministry including the Co-ordination and Monitoring of all Programmes and Projects of the Ministry and its Institutions.
- Initiate changes to legislation as may be required by Policy or practice from time to time and strengthening the legal framework required performing the functions of the Ministry and its Institutions.

1.2.2 Sri Lanka Railways

Sri Lanka Railway operates as a government department under the provisions of Railway Ordinance Chapter of legal enactments

Functions

- To acquire and maintain assets related to rail track, bridges, buildings and other structures
- To acquire and maintain assets related to a fleet of rolling stock consist of locomotives, Diesel Multiple Units, Passenger Carriages and Freight Wagons
- To acquire and maintain assets related to Signaling and Telecommunication System
- To provide train service for the movement of people and goods on the railway network ie.
    - Commuter services
    - Long distance passenger services
    - Intercity Express services
    - Local Passenger services
    - Freight services
- To maintain ancillary supporting services for the management of train service i.e. Administration, procurement, accounting, information systems and security

1.2.3 Department of Motor Traffic

The Department of Motor Traffic was established in 1928 with a view of performing the functions stipulated under the Motor Traffic Act. Its functions assigned under the Act are:

- The registration and transfer of ownership of motorized vehicles in terms of the regulations under the MTA.
- The licensing of drivers of motor vehicles on certification of competence.
- The monitoring of the operation of vehicles in terms of road worthiness and pollution.
- The investigation of vehicles involved in road accidents.
- Updating the regulations with respect to standards in the registration and operation of all motorized vehicles.
- The collection of relevant taxes based on motor vehicle

1.2.4. National Transport Commission

The National Transport Commission was set up under the NTC Act No 37 of 1991. The functions of the commission are to advise the Government on the national policy relating to passenger transport services by omnibuses, and having regard to such policy:-

(a) to monitor the availability of omnibus services of an acceptable quality to meet the passenger transport needs of the public and to determine the minimum levels at which such services shall be maintained;
(b) to specify the conditions subject to which an Authorized Person may issue or renew a passenger service permit or other authority authorizing the use of an omnibus for the carriage of passengers at separate fares;
(c) to monitor and enforce subject to the provisions of any written law, the compliance by permit holders with the conditions of passenger service permits issued to them under this Act or by Authorized Persons;
(d) to prescribe the form in which passenger service permits may be issued by an Authorized Person;
(e) to determined the rates to be charged for the issue or renewal of passenger service permits by an Authorized Person;
(f) to specify the documents relating to vehicle fitness, passenger carrying capacity and driver fitness and other evidence that shall be produced to an Authorized Person by an applicant for a passenger service permit;
(g) to require holders of passenger service permits issued by an Authorized Person to furnish to the Commission such returns and information as may be necessary for the Commission to exercise and discharge its powers and functions under this Act;
(h) to lilies with Government Departments, institutions and Authorized Persons, in respect of omnibus services required by such Departments, and Institutions including-
    (i) carriage of a mail; and
    (ii) the provision of school services on concessionary rates, for school children and for students of Universities, Technical Institutions and other similar Institution.
(i) to grant passenger service permits for omnibus services in the specified area;
(j) to ensure the provision of omnibus services on un-remunerative routes, by entering, after the consideration of competing bids, into contracts with persons for the provision of those services and where necessary, providing financial support to persons providing such services and to specify the fares that may be charged by such persons having regard to the nature of the services provided;
(k) to enter into agreements with any person for the provision of inter-provincial omnibus services and to issue passenger carriage permits in respect thereof;
(l) to provide managerial expertise and assistance to Authorized Persons, and any other assistance or advise that may be required by Authorized Persons for the proper discharge of their functions relating to the provision of omnibus services;
(m) to arrange for the carriage of goods on omnibuses.

1.2.5. Sri Lanka Transport Board

The SLTB was reconstituted by Sri Lanka Transport Board Act No 25 of 2005 and is the successor to the Ceylon Transport Board (1958-1978), Sri Lanka Central Transport Board and Regional Boards (1978-2005),Peoplized Transport Service (1990-1997) and the Regional Transport Companies (1997-2005). Its functions are:

- To provide an efficient passenger service by bus throughout the country, while competing with the private sector under regulated market conditions.
- To provide bus services for services of a socially necessary service for which specific subsides are provided by the regulator
- To become the market leader in the provision of qualitative bus transport services by improving in reliability and safety, customer care.
- To maintain designated bus terminals and to improve the services at such terminals for passenger benefit.
- To become financially efficient and independent to compete with private sector in the long term.
- To be available for deployment in emergency situations.

1.2.6 National Transport Medical Institute

The functions of the National Transport Medical Institute as given in the "National Transport Medical Institute Act No. 25 of 1997" are -:

a) To provide medical services and assistance to drivers and operators operating or driving all categories of motor vehicles including heavy-duty vehicles.
b) To examine drivers and operators of all categories of motor vehicles including heavy-duty vehicles and furnish certificates of physical and mental fitness to such drivers and operators.
c) To carryout medical examination on drivers and operators of all categories of motor vehicles including heavy-duty vehicles and furnish recommendations regarding their suitability and fitness.
d) To provide medical services and assistance in the cases of accidents involving any category of motor vehicles.
e) To ensure either by itself or in consultation with other organizations that motor vehicles of all description are operated or driven only by person who are physically and mentally fit and competent.
f) To appoint a panel of suitable Medical Officers to various districts and provinces for the purpose of discharging its functions.
g) To render medical advice and recommendations on industrial hygiene and industrial accidents.
h) To provide advice and special guidelines relating to the quantum of compensation or damages payable in cases on accidents.

i) To set standards and prescribe parameters regarding transport medicine to be adopted and implemented by the relevant implementing authority.
j) To render medical services and assistance to drivers and operators employed in companies formed under the Conversion of Public Corporations or Government owned Business undertakings into Public Companies Act No. 23 of 1987, Public Corporations and Private Omnibus Companies, registered under the National Transport Commission Act No. 37 of 1991.

1.2.7. Ceylon German Technical Training Institute

The Ceylon German Technical Training Institute is the foremost Institute in Sri Lanka for the training of skilled technicians in the field of Automobile Engineering and Allied Trades.

2. Present Issues

Public transport accounts for nearly 73% of the total motorized passenger transport and serves as the only means of transport for majority of the population. Of this, bus transportation accounts for nearly 68%, with state owned bus service share of 23% and private operator share of 45% provided by small scale operators. Sri Lanka Railway accounts for only 5%, carrying 120mn passengers per year. Despite attempts made during the recent past, the quality and service of passenger transport have largely been neglected. Increase in public transport modal share will reduce traffic delays and congestions on roads and need for expensive road infrastructure developments.

Nearly 99% of ***freight movements*** are handled by the road transport. The freight market share of the Sri Lanka Railway has come down to 1% in the recent past, which was 32% in 1979 showing a drastic decline in the efficiency and competitiveness of SLR in handling freight.

All three commercial ***ports*** had been connected by railway lines. However, no trains operate at present to or from the Colombo Port. It is evident that more than 30% of the agriculture produce are being go waste before reaching the consumer. Marked differences between farm gate prices and retail prices prove the inefficiency in perishable produce transportation. This highlight the problems of high transport costs in most sectors of the economy, indication greater investment in the development of the ***logistics*** for goods transport and the supply chain.

At present there is no coordinated effort made for ***inter-modal transportation***. Three-wheelers and school and office vans are also providing substantial services to communities that do not have direct access to bus or rail. There is a breakdown of inter-modalism between trains and buses. Systems such as park and ride have also not been developed to date. A case in point is the lack of suitable public transport to ***the international airport*** at Katunayake

Sri Lanka has a reasonably well connected ***road network*** that contributes to the mobility. Road density per km^2 is one of the highest in the region. Most of the National and Provincial roads and majority of urban roads are paved roads. Nearly 30% of these roads have been rehabilitated or are in the process of being rehabilitated. Majority of the balance roads are in unsatisfactory condition or lacking required capacity or proper geometric standards thus contributing to unnecessary delays and accidents. New roads cannot be built in urban areas or be widened hence the growth of urban centers largely relies on the efficiency of public transport.

Sri Lanka ***Railway*** manages a 1412 km length of rail network with 323 stations that covers most part of the country except the southeast. The main railway lines radiate from Colombo and branch off at regular intervals. However, except for 116 km double-track lines around Colombo, rest of the network is single-track line.

Unsustainable increase in private ***vehicle ownership*** in urban cities has created several problems in increased traffic congestion, road accidents and air pollution in the city centers. Dependence on road transport tends to raise total ***energy***

consumption, increase air pollution, and have other adverse effects on the environment.

At present Sri Lanka have a set of sound regulations on ***environmental*** impact assessments on transport infrastructure. But regulatory control of fuel emission and noise standards for all vehicles are yet to be fully implemented. Toxic gas emission in high traffic conditions and noise pollution are at a peak level in urban city centers contributing to adverse health effects. Time and resources wasted on roads have seriously affected the economy, environment and the society. On the other hand ***non motorized transport*** modal share is very low in urban areas and is also reducing in rural areas.

The number of ***road accidents*** and fatalities has increased over the years. Major causes for these are poor condition of infrastructure, traffic congestion in the urban areas, indiscipline behavior of road users including drivers, riders, passengers and pedestrians. Facilities available for pedestrians and other non-motorized transport modes are minimal making them the most vulnerable road users.

Present approach to transport ***pricing*** appears to need revision. It needs to reflect economic pricing and user pay principles in general. At the same time, the ***subsidies*** offered by the State are largely to state sector service providers. There is poor effectiveness of the subsidies reaching the intended targets due to the inefficient delivery systems.

The ***freight transport*** operation is deregulated. Para- transit, which includes a wide cross section of services ranging from school services to rural vehicles, are also fully deregulated. The high rate of accidents, low productivity and collusive behavior are reasons why some degree of regulatory control may be required for these sectors.

A number of weaknesses contribute to the poor performance in ***planning and implementation*** in the transport sector. There is no single body with the responsibility for the transport sector. Existence of multiple agencies in transport service and infrastructure provision, with poor coordination, leads to fragmentation of the legal authority to plan and the lack of authority to enforce agreed upon plans, which causes duplication of effort and haphazard decision-making.

Lack of ***policy and coordination*** between the Ministries and the Provincial Councils further exacerbates this situation. Since there is no single authority for the sector, poor alignment between planning, policy making, and the budgeting process takes place.

However, the most critical short coming is the ***lack of professionalism*** in the sector. With the disbanding of the Central Transport Board and the formation of private bus operators, the organizational requirements for people with professional qualifications for transport operations were also lost. This has been further exacerbated with the formation of the NTC and followed by provincial regulators where the stipulations for building up professionals in regulation and planning have been minimal.

3. Policy Principles on Domestic Transport

3.1 Scope

This policy covers the carriage of passengers and goods by railway, land, or by national waterways including coastal shipping between any two points within the territorial area of the country. This policy replaces the National Transport Policy dated January 1992.

3.2 Vision

To ensure a satisfactory access to and choice within a reliable, efficient and integrated system of transport modes and services that satisfies the diverse public and corporate needs for mobility for both goods and people.

3.3 Mission

The Mission is to:

(a) ***understand*** the existing and forecasted needs for transport of people and goods;
(b) ***formulate*** the required policy framework within which such needs can be satisfied;
(c) ***plan*** such interventions for provision of the safe and efficient transport infrastructure and services;
(d) ***provide and/or procure*** required services;
(e) ***regulate*** and monitor provision of such services and to
(f) Strengthen ***institutions required*** for achieving the above.

3.4 Objectives of Policy

The objectives of this National Policy is to set out explicitly, the interventions of Government in ensuring that existing and potential ***mobility*** needs within the country for passengers and goods transport are satisfied safely and efficiently at least cost to the economy by using the minimum amount of resources and causing least impact on the environment. Furthermore, to ensure that all citizens both individual and corporate are provided with adequate levels of ***access*** to basic needs such as, to places of employment, education, markets and to services. These may be further identified as:

1. Ensure the adequate availability of transport infrastructure and services required to support the goals of sustainable economic growth, and social development at all times and across all communities.

2. Ensure optimum utilization of existing resources in terms of transport infrastructure and equipment across all networks, modes and users.

3. Ensure that a minimum level of access to basic services is provided to all segments of the society.

4. Ensure that users of transport systems are provided with reasonable choices of modes of transport and access to up to-date information to make informed decisions.

5. To manage overall vehicle fleet and usage, especially to discourage the number of people commuting in single occupancy vehicles in urban areas by improving public transport and other measures.

6. To reduce social-exclusion by providing appropriate transport facilities, especially for the improved mobility of the elderly and the differently-able.

7. Improve safety and security for all users of the different transport systems.

8. Ensure competitiveness between and among modes and providers while protecting the interests of the Government in providing State-owned transport services and by giving confidence to the private sector to invest in and to improve areas of the transport sector wherein private investments are solicited.

9. Ensure the systematic infusion of capital in to the development of new transport infrastructure through Government funding as well as private investment.

10. Ensure the continuity of systematic planning and research for the continual development of the transport system in order to keep pace with the requirements of the global economy, technological advancement and the national socio-economic policy.

11. Introduce the legislative amendments and administrative arrangements that are required to support this policy.

12. Ensure the availability of human and physical resources needed for the, implementation of this policy.

13. Ensure that all human resource inputs to transport sector are qualified and competent.

14. Ensure the integration of land use development, employment policies and use of Information & Communication Technology to reduce the demand for travel.

3.5 Policy Principles

The National Policy on Domestic Transport is based on the following principles:

3.5.1 Economic Principles

The government will take pro-active steps to identify the quantity and quality of transport services that would adequately meet existing and potential demand for movement of goods and passengers that would support a vibrant economy and a contented society. It will take all possible steps to ensure that such services are made available to the users at the desired level of service and at the least cost to the socio-economy.

3.5.2 Social Principles

Transport will not be considered purely as an economic commodity. It will also be evaluated on its social impacts particularly in terms of equity and equal accessibility for all people. This policy aims at ensuring a minimum level of mobility required to meet the right of every citizen to have access to their basic needs. Furthermore, it will pursue the provision of transport services that will promote the equitable socio-economic growth across all geographical boundaries and social segments.

3.5.3 Regulation

It is the view of the Government that the transport sector should be considered as a service sector of the highest importance to both economic and social development of the country. It considers that such a sector cannot be left entirely to market forces at the present stage of social and economic development of the country. The Government therefore wishes to take all steps to ensure that the entirety of this sector will be regulated in order to fall in line with other service sectors such as health and education. Therefore while the transport industry will be encouraged to develop according to market forces, regulations will be effected by the relevant regulators with respect to matters pertaining to the safety, quality of service, employment standards, environmental norms, fair competition and pricing as may be appropriate for different modes of transport.

3.5.4 Modal Preference and Choice

The policy of the Government is to encourage the use of public transport, high occupancy vehicles and non-motorized transport. It will seek to influence modal shift from road to rail transport and from private modes to higher occupancy modes using regulatory and fiscal measures.

The Government will take steps to provide the public the widest possible choice of different modes of goods and passenger transport that would be consistent with the country's objectives of optimizing land and road space use, conservation of the environment and energy, achieving cost effectiveness and ensuring the affordability for users.

3.5.5 Competition

As far as possible services provided by different modes of transport shall be complementary in nature. Competition within and between modes of transport would be allowed on cost to the user and quality of service provided. The Government will create an appropriate competitive environment wherein these market forces will be used to guide the transport system to provide the required efficient and reliable services without creating negative impacts of wastage of resources and compromise of safety and quality of services.

3.5.6 Land Use Principles

Transport services will also take in to account the nature of existing land use in the provision of the appropriate modes of transport. It will also respond by planning future transport systems according to the requirements of future town and regional development plans that are published. The Government will also take steps to ensure that all such land developments would not impede the overall transport function including the deterioration of mobility in transport. As such it will require Transport Impact Assessments to be carried out for all land use developments which will have a significant impact on the overall transport networks. It will also require comprehensive Transport Capacity Assessments for large scale development plans including town development and regional development.

3.5.7 Principles of Investment

Since the growth of the economy and social development is directly dependant on the transport sector, the Government will ensure that a minimum required level of resources would be invested regularly in order to provide for the sustainability and growth of the sector. Capital investment of 1 ½ % for next 5 years and 1% GDP thereafter will be met. In terms of investment, the Government will avoid duplication of infrastructure.

It is the policy of the Government to make required transport infrastructure and services available to satisfy the diverse public and corporate needs. The Government will allow investment opportunities to private sector in all areas of transport infrastructure and service provision under regulations that would guide such investments, other than in areas in which the Government would have a strategic interest or reason. The Government ownership in the strategically important enterprises in the transport sector will be continued. The Government while retaining its present infrastructure and areas of service provision will continue to invest in such operations in order to reduce monopolistic or oligopolistic behaviors in the market. It will also invest in areas where private sector is unwilling or where the market fails in delivering the desired objectives.

The government will take a leading role in transport infrastructure investments. Regular allocation will be provided for periodic maintenance and rehabilitation of assets. In addition, funds will be provided for procurement of new assets for extension

of network and future development. The decisions regarding investments will be made on the evaluation of cost –benefit analysis. All procurements will be made on adhering to competitive bidding procedure in a transparent manner, except, in special cases. In every effort will be taken to maximize the contribution for the development of local industry and technology in obtaining foreign investment. All procurement plans would contain necessary mechanisms to ensure sustainability of investment. Especially, such plans should conform to proper maintenance and repair requirements.

3.5.8 Transport Service Pricing

In the case of public transport, the Government will intervene by regulating fares. The respective national regulatory authority will periodically determine viable fare levels, which is the fare level that will enable an operator to recover his return on investment at standard levels of inputs and efficiency. The respective national regulator on considering the affordability and external impacts of levying such viable fare will if so needed determine a regulated fare in consultation with the Ministry of Transport & the Treasury. Where the regulated fare is set lower than the viable fare, the shortfall will be provided to the operator as a compensative payment by the Government.

If so required additional compensatory payments will be offered to operators of Socially Obligatory Services such as rural un-remunerative services and school services where special concessions are provided to users or minimum service levels are required.

Moreover, differential fares for modes of transport may be set in order to achieve modal shifts that are desirable for economic, social or environmental reasons.

3.5.9 State Railway Operations

The Government intends to develop the railway sector giving the highest priority. The government will explicitly seek shift of passengers and goods transport from road to rail, by making rail transport attractive, comfortable, faster and affordable. The Sri Lanka Railways while continuing to be operated as a Government entity will be committed to reform in order to improve its efficiency and capabilities. In this respect the government will seek participation of the private sector where appropriate, to develop selected business areas such as property development, multi-modal terminals, Inland container terminals. This will be attempted while preserving SLR's State sector identity and not losing its primary service orientation.

3.5.10 State Bus Operations

The Government will also operate bus services through the Sri Lanka Transport Board (SLTB). The primary objective is to reduce undesirable attributes in a sector largely dominated by the private sector, for which purpose it will aim at retaining between 25% and 40% of the supply share of bus services provided. For this purpose, it will be offered the right of first refusal for $1/4^{th}$ of the scheduled capacity on any route or service or group of routes, wherein such percentage does not exist at present. It will

be necessary for the SLTB to compete with private sector for a share larger than this. The SLTB will necessarily have to be financially independent and free of Treasury funding other than earned payments for Socially Obligatory Services, to be eligible for competitive bidding above 1/4th share, which is envisaged in 3 years.

3.5.11 Passenger Terminals

The Government will in consultation with the relevant authorities, initiate the planning of a network of passenger terminals involving rail and road transport modes. This exercise will be aimed at improving facility of transfers between modes especially with respect to routes and services coming under the purview of National Transport. Special emphasis will be made to develop multi modal facilities in urban and suburban areas which will enhance seamless travel such as park and ride facilities integrated with public transport.

The Government will intervene to facilitate financial and technical assistance to develop such terminals using both State and private sector funding, provided that such developments are in conformity with the standards set out by Government, taking into account the requirements for safety, information and convenience to passengers and other users.

In order to ensure the smooth functioning of such terminals, compliance of standards, resolution of operational issues and continuing development of facilities, each such terminal will have a Passenger Terminal Consultative Committee which will include in addition to the manager of the terminal, representatives of the regulators of services, operators and users of that facility.

3.5.12 Logistics

Considering the potential of Sri Lanka as a global hub in the supply chain, every Endeavour will be taken to support the efficient functioning of the logistics industry by connecting the ports, airports, markets, consumers and producers whereby waste, double handling and cost duplications can be avoided.

Therefore, the Government will intervene in the study and planning of transport modes, locating of warehousing and influencing the distribution functions in the supply chain process. It will also assist private sector development of such identified locations by means of fiscal and non-fiscal incentives. Furthermore assistance will be given for modernization of freight handling through improved information communication technologies, cargo handling equipment and specialized vehicles. Special emphasis will be given to ensuring multi modal access to all seaports, airports and dry ports.

The Government will introduce regulation to ensure the safety and system efficiency of freight movements with respect to National Transport.

3.5.13 Environmental Principles

The Government will pay particular attention to the alarming deterioration of the quality of our environment caused by transport activity, it will take steps to minimize the damage to the environment especially with respect to air quality, noise and flora and fauna. It will therefore systematically upgrade to transport technologies that are less polluting and also work towards reducing excessive travel.

The Government will also take all steps to encourage the patronage of modes which are environmentally less polluting. It will also take steps to gradually reduce the impact of such pollutants on passengers of public and Para-transport, other road users and those in the vicinity of transport corridors.

3.5.14 Energy

It is the priority of the Government to take steps to reduce the dependency on petroleum fuels for its mobility requirements. This would be in the form of actively promoting the use of less energy consuming modes of transport- with an emphasis on increasing the share of users on public transport, reduction of unnecessary travel, improved vehicle technology and better management of transport systems including that of the road network and public transport network.

The government will encourage through fiscal and non-fiscal measures, the conversion and adoption of vehicles from fossil fuels to alternative fuels that are less polluting.

The Government will re-structure the present tariffs regime in order to discourage the importation and use of energy inefficient vehicles.

The Government will also take measures to encourage the use of non-motorised modes of transport where appropriate.

3.5.15 Modernization of Technology & Research

The Government will encourage innovation and modernization of the transport sector, using modern technology to ensure greater passenger convenience, improved management and sustainable transport systems. This would include improvements to standards of vehicles, passenger terminals, safety systems, control systems that improve reliability etc. Special and urgent attention would be given to the development of IT based solutions. Towards this end there would be an effort to support the research, development and adaptation of such technologies to the needs of the transport sector in Sri Lanka.

3.5.16 Safety

The Government takes note of the heavy social and economic burden to the country due to transport accidents, especially road traffic accidents. In order to speedily reduce this it will set standards for vehicles, roads and other infrastructure, operating practices, training methods and testing procedures and enforcement techniques. Moreover attention will also be given to increasing public awareness and education as well as the use of modern technology in enforcement and monitoring of safety concerns.

Steps would be taken to identify hazardous goods and to restrict movements by road transport through built up areas and to encourage the transfer of such movements to safer modes such as the railways.

3.5.17 User Satisfaction

A high degree of attention would be placed on obtaining feedback from consumers of transport services. This shall be a primary task of the regulators of the respective modes of transport. Such user satisfaction surveys will be made public from time to time in an effort to make all agencies involved in the provision of transport work towards meeting the end users expected level of service which will be bench marked. Public consultation will also be facilitated in transport sector development projects to ensure user involvement in planning and design stages. Provision of up to date and real time information will be a priority.

3.5.18 Persons with Special Needs

Transport facility design and vehicle design for public transport will gradually be converted to compliance for access of people with special needs. Special transport services will also be designed after appropriate study.

4. Sub-Sectoral & Functional Policies

This policy will focus on a number of specific sub-sectoral policy statements covering the functional and mode wise identification of the entire transport activity. These are:

1. Railway Transport
2. Omnibus Transport
3. Passenger Transport by Hiring Vehicles
4. Vehicle Administration
5. Private Vehicles
6. Non-Motorized Transport
7. Goods Transport & Logistics
8. Emergency Vehicles
9. Urban Transport
10. Rural Transport
11. Transport Administration
12. Human Resources Development
13. Energy Efficiency
14. Safety and Security in Transport
15. Transport & the Environment
16. Planning & Coordination
17. Research & Development
18. Public Participation

4.1 Railway Transport

This policy envisages to make rail transport an attractive and efficient mode of public transport. This will be initiated with the improvement in the utilization of existing resources and with the infusion of new and modern equipment and fixed infrastructure. It will also endeavor to enhance its commercial orientation as well as to develop the use of Information & Communication Technology and rolling stock technology and also to expand the network.

It is expected to increase the modal share of passenger and freight sectors of Railway from present 6% to 10% and from 1% to 5% respectively by 2016.

The rail service will focus on the following priority areas:

- To increase frequency, reliability and capacity of the suburban railway services. This will include electrification and station modernization.
- To reduce travel time of long distance and intercity services as well as to improve comfort of travel. Also to introduce value added services.
- To operate a suitable type of train service between stations not served by road.
- Passenger concessionary tariff will be rationalized to ensure cost-effectiveness to the SLR

- Railway freight tariffs will be de-regulated and the SLR will be permitted to determine tariffs competitively to attract freight transport from road to rail. The SLR will collaborate with the private sector towards achieving this objective.

- To identify and develop all sources of non fare box revenues including the development of property, right of way access to utility providers , auxiliary service, ground rentals, concessionaries etc. Railway stations will be developed as service/commercial centers with private sector investment.

The railways will function as a Public Enterprise which will be empowered to manage the earned revenue within delegated financial authority. The Railway Development Fund will continue to be operated by the Railways using fines, surcharges, service charges etc for use in special projects, human resource development activities and incentives. Moreover, commercial and marketing flexibility will be infused to the SLR and to its decision making process by creating subsidiaries for specialized railway related non-core activities.

The employee participation will be the main focus of the decision making process. Provision will be made for direct participation of employees in all disciplines in railway activities. (eg. Workers Council)

4.2 Omnibus Transport

It is the intention of the Government to streamline the bus industry with the following policy level interventions:

1. Continuity of Omnibus Operations by State and Private Sector.
2. Imposition of Standards for Vehicles to be used as Omnibuses.
3. Imposition of a Registration, training and monitoring system for existing bus crews and Minimum Qualifications and training for new entrants.
4. Changing present conditions for the issue and renewal of individual Route Permits to Private Sector to Route-based Omnibus Service Contracts.
   a. Imposition of Qualifications for New Omnibus License Holders
   b. Imposition of Standards for Managers employed by Route Operators
   c. Imposition of Standards for Route Inspectors and Investigators employed by Route Operator
   d. Imposition of Standards for Members and Employees of the Regulatory Authority
   e. Procedure for handling the transition from existing to the proposed system.

These steps will essentially convert the bus industry from its present condition of individual entrepreneurs who are loosely regulated, to one that is regulated through an institutional mechanism along the lines of service sectors such as health and education. This is expected to solve many of the existing problems while bringing it alongside more advanced forms of regulation practiced in the world today.

It will also envisage bringing both the private and public operators under the same policy framework.

4.2.1 Regulatory Authorities

Respective regulatory authorities that are in existence will continue to promulgate regulations that are required for the provision of bus services nationally and within their provinces. As such regulations may after due consideration includes additional conditions on vehicles and personnel over and above the stipulations in the National Policy as set out in this document and as may be revised from time to time.

Such regulations may also include conditions under which Qualified Companies may be considered for award of contracts and the conditions in an Omnibus Service Contract, provided that all such conditions do not in any way contravene the standards or procedures set out in this National Policy and its revisions from time to time.

4.2.2 Fares

Bus Fares will continue to be regulated by the National Transport Commission as per Bus Fares Policy of the Government set out in this document. Accordingly, the Maximum Fare on a route on which omnibus services are to be operated will be revised based on the cost of inputs and the industry standard for a minimum level of quality. No operator may charge more that this stipulated fare, except in routes or services for which Minimum fares may be stipulated in order to ensure protection of existing operators from new service providers, which may be granted for a fixed period.

4.2.3 Compensatory Payments

It is the current policy of the Government that fares on all routes across the country will reflect the actual cost of operation. As such the variations in fare structure will vary with three core parameters namely, its service quality, terrain and distance of travel. It is not the policy of the Government to levy a higher fare for areas where patronage is low, as most such areas are considered developing as it is not in keeping with the Equity Based development policies of the Government. Hence, any anticipated shortfall in revenues below operating costs only will be eligible for compensatory payments

No general operating subsidies will be provided except in the case of cushioning rapid increases in fuel prices, which cause fares to increase above a maximum stipulated under the Fares Policy for which a mechanism and procedure would be set in place by the NTC.

In addition to these, the Government will offer targeted subsidies for specific purposes for the following persons:

- Students of Schools, Technical Colleges and Universities
- Senior Citizens registered with the Department of Social Services

It will be the strategy of the Government to set up User Monitoring Committees at school level, community level etc in order to obtain direct user responses in assessing the performance of such services.

4.2.4 Standards for Regulatory Agencies

The Government will assist in the urgent development of capacity in the Regulatory Agencies to facilitate these new policies and to arrest the deteriorating condition in bus transport. This will include training for all personnel to upgrade skills and also a reengineering of the organizational structure to accommodate a higher level of professional management of the sector This would include expertise in demand surveys, time tabling, public relations, legal and procurement expertise, technological expertise such as in automotive engineering and ICT fields, transport planning, social aspects, financial and economic appraisal, civil engineering for passenger terminal construction and maintenance etc.

This assistance package will also include modernization of office facilities, computerization and other basic requirements which will be assessed in the re-engineering exercise.

Each Regulatory Agency will be expected to be financially independent for the recurrent expenses. The re-engineering exercise will stipulate a fee to be collected from each Omnibus Service Agreement based on its assessed annual income. Income from bids will be accumulated towards

- Setting off Negative bids (Subsidized Services)
- Capital Development Projects such as passenger facilities

The saving made in the form of reduced spending on public-sector subsidies gives the regulatory authorities' scope for financing expansion and quality improvements in public transport.

4.2.5 SLTB

The SLTB is the fully government owned bus operator. Its primary role is to provide stability in the market and to prevent monopolistic behavior on the part of the private operators. It will also aim at providing leadership in bench marking professionalism and technological innovation and modernization in the sector. Therefore it will meet the minimum standards set out for the private operators and attempt at all times to exceed them.

In order to facilitate this, each route or group of routes, will have a minimum 25% of the scheduled capacity offered to the SLTB. This will be an arrangement during the Transitional Period for that Route. The SLTB will be encouraged to increase its share of capacity supplied, to 40% through competitive bidding.

The Government will aim at removing general subsidies and the re-imbursement of losses to the SLTB prior to the completion of this 5 year period. It will thus create a level playing field to compete effectively with the private sector.

The SLTB will operate routes and timetables in consultation with the respective regulatory authority. In the case of any dispute arising between the SLTB and a provincial regulator such a dispute may be directed to the National Transport Commission for settlement. Any dispute with the NTC on inter-provincial routes may be directed to the Ministry of Transport for settlement.

4.2.6 Private Operators

The private bus industry has been mostly in the hands of individual operators. Even though many small entrepreneurs have failed in their investments in omnibus services, a few have established themselves. However even after nearly 30 years, no significant transport companies have got established even though several large operators have come up from time to time. It is the policy of the government to further consolidate the over 15,000 individual owners with management orientation which has been the key factor missing in this sector.

However individual ownership will continue in the form of investment in buses. The management would be with a 3rd party identified as a Qualified Company which will hold Omnibus Service Contracts for a route or group of routes. There will however be only one Contract for bus services of a given level of service between two places. Different contracts could be given for different service categories.

These Contracts will be for a initial period of 3 years renewable annually. Annual renewals will be allowed only on the production of a report setting out the compliance of the operator with the stipulated service conditions and after an independent verification which will include user responses. A company which fails to meet the standards for renewal may not have its contract extended by another year. A company can may however earn back an additional year by meeting the standards for three consecutive years.

Minimum size of a company shall have at least 7 buses or 25% of the fleet size for that route or group of routes.

Operators with managerial skills can be elected or appointed (as stipulated in the articles of registration) by the other members of an Omnibus Operating Company to serve on the Board of Management of the Company. The company may declare dividends to its share holders who in turn may be the bus owners who will then be motivated to appoint competent persons to the Board.

- 2 representatives from registered financial institutes
- 1 representative from a regional trade chamber.

The Omnibus Service Contract holder can enter into an agreement with individual owners who may also be its share holders for the use of their buses at an agreed basis. Such agreements would require that only the bus and perhaps its driver be provided by the operators. The conductor will be employed by the Omnibus Service Contract Holder. The contract should include the basis on which the omnibus of an existing permit holder will be procured by the Company.

A company shall also have to obtain prior approval for deploying new buses without using existing buses owned by the members of the company.

The Omnibus Service Contract holder will not be allowed to enter into any agreement which gives any part of the fare collection from the operation of a particular bus, directly to its crew. Any such incentive scheme should be based at least on the revenue obtained on a per route basis. This is to reduce unwarranted competition on the road.

The Government will provide on-going business skills development to small time bus owners who would wish to improve their businesses. This would mostly be in the area of vehicle maintenance, financial management, human resource management etc.

4.2.7 Private Bus Employees

Private bus employees who are often at the receiving end of much criticism by the travelling public are also under tremendous hardships. They have to endure long hours, lack of job security, non-permanency, no proper facilities to rest or have meals, toilet facilities etc. The money they take away as pay or commission or earnings may be considerable. These however do not seem to necessarily improve their quality of life as their working environments are so oppressive.

In this policy, the private bus drivers and conductors will be provided continued registration. Bus owners may strike a deal with the Contractor to absorb the crew as employees of the Company. A period of 5 years will be allowed for such negotiation and during this period either the owner of the bus or the Contractor could be the employer of the bus crew. However, the Omnibus Service Contract Holder will bear all legal responsibility arising from their conduct.

Even as the payments for EPF and ETF have been included in the costs for computation of fares, these payments do not happen at present. Under this policy, all employees will require compulsory registration in EPF and ETF. Moreover Omnibus Service Contractors will be bound to adhere to labour laws thus providing greater job security for employees. One of the pre-requisites for an Omnibus Operating Company for continuing and OSC would be investment in employee training programs as well as capital investments for rest rooms for bus crews, on the job training, welfare measures etc.

The National Transport Commission will maintain a National Database of all Omnibus Drivers and Conductors, Inspectors, Managers and other employees in addition to other relevant information. It will also institute a de-merit point system which will be based on the performance of such employees. The procedure would ensure a process of re-training to earn points, for misconduct or failing to meet the required standard.

4.2.8 Public Complaints

Public Complaints should be directed to the relevant company. Only complaints against the company should be directed to the Regulator, who will be responsible for instituting an approved process of inquiry of the complaint. The Regulator shall update any National Database of information maintained by the National Transport Commission regarding such complaint and action taken regarding an operator, a vehicle or a Registered Employee.

4.2.9 Public Consultation

The relevant regulator will institute an approved process of public consultation regarding, review of service levels and service quality of a route or service, changes to route or service or any other matter connected to the quality of service desired by passengers.

4.2.10 Development of Passenger Terminals and Stations

The government will promote the development of multi-modal transport terminals at suitable locations. In doing so, it will stipulate standards for all passenger terminals and stations with respect to conveniences, waiting areas and other supporting facilities that should be provided. It will raise such standards from time to time. The Government will provide technical and financial assistance to formulate proposals for development of such multi modal terminals through the National Transport Commission. It will be the policy of the government that all such terminals should give priority to passenger needs and only limited commercial activities should be conducted within such premises. In keeping with Government Policy it will not transfer ownership of existing assets to private sector, but will allow private sector to develop and manage such assets on joint venture basis.

In such case regulator shall enter to an agreement with the private sector to develop and manage the passenger terminals and stations. For the purpose of managing these passenger terminals and stations there would be a management committee. It would consist with a representative of the regulator, a bus operator of the terminal, a passenger representative, a representative of the terminal owner and a police officer.

4.3. Passenger Transport by Hiring Vehicles (Para-Transit)

Para-Transit or Hiring Passenger transport includes any vehicle which carries passengers for fee or rewards other than an omnibus, train or any other mode of public passenger transport. Presently such transport services include:

- Three Wheeler taxis
- Taxis offered through Call Centers
- School Van Services

- Office Van Services
- Chartered transport services
- Other forms of informal transport services found especially in some rural areas.

At present, the only form of Government intervention is with respect to compliance at time of registration as a motor vehicle. There have been calls from both passengers and from operators for the Government to take a greater intervention in these sectors. Passengers complain on the lack of standards of the vehicles and conduct of drivers, formation of monopolies and cartels on a local basis, unreasonable tariffs etc. Operators on the other hand often make representation from government regarding subsidies and to enforce measures of control such as fare meters etc.

Government intervention in the form of policy regarding hiring vehicles will be as follows:

1. Imposition of Standards for Vehicles to be used as Hiring Vehicles
2. Standards for Registered Hiring Vehicle Operators.
3. Imposition of Standards for Managers of Registered Hiring Vehicle Operators
4. Imposition of Standards for Hiring Vehicle Drivers and Other Employees
5. Imposition of Standards for Members and Employees of the Regulatory Authority
6. Procedure for handling the transition from existing to the proposed system.

4.3.1 Arrangement for Providing Hiring Services

Only a vehicle which possesses a Hiring Vehicle Certificate of Conformity may be used for the carriage of passengers for fee or reward. Such a vehicle may only be driven by a person who possesses a valid Registration as a Hiring Vehicle Driver. A person who possesses such a valid Registration will be required to offer services only through a Registered Hiring Vehicles Operator. He will be required to have a formal agreement for providing services through that Operator.

Any vehicle use for the carriage of passengers should have a full insurance coverage and passengers should be limited according to such insurance coverage. The vehicles use for school van services or office van services should have registered as motor coach at the Department of Motor Traffic. The relevant provincial regulating authority should develop a management unit to implement and monitor the relevant standards and operating conditions.

VAT free importation of vehicles would be allowed for operators who have provide services for a continuous period of 5 years or more. Driver registration and training would also be facilitated through the provincial regulatory authorities. Driver photo and identification would be displayed behind the driver for the benefit of the users of the vehicles.

4.3.2. Fares

The Government will publish and update regularly standard fares for such services for the benefit of consumers. It will however not impose fare control. The operator will be required to either have such rates painted on the vehicle or carry with him a fare table approved by the regulating authority after due consideration with the published standard fares and operating conditions. The regulating authority shall have such application and approval on file for purposes of investigating complaints. Any complaints by the public regarding fares levied by such Hiring Vehicles can be directed to the Relevant Provincial Regulatory Authority.

4.3.3 Public Complaints

Public Complaints should be directed to the relevant Regulator. Who will be responsible for institution of an approved process of inquiry of any complaint regarding hiring vehicle operators and drivers. The Regulator shall update any National Database of information maintained by the National Transport Commission regarding any complaint and action taken regarding an operator, a vehicle or a Registered Employee.

4.4 Vehicle Administration

The vehicle administration which is handled by the Department of Motor Traffic will be streamlined with the following features:

- Commence the issue of Conformity Certificates for Public Service Vehicles
- Modernized vehicle testing centers
- ICT based documentation facilities
- Driver testing procedure to be modernized and made efficient.
- Automation of DMT functions
- Emission certification for all vehicles

4.5. Private Vehicles

Private Vehicles will be considered as motorized vehicles that are used exclusively for private passenger use. This would include vehicles belonging to government and private sector assigned for personal use or for the transport of its employees.

The Governments policy on the use of private transport is to

- Recover the total public cost from all private motorized includes all external cost to the economy and society. This will ensure that taxes and duties on vehicles, registration and licensing fees etc are computed on the basis of actual costs and those external costs are considered in effecting disincentives to particular types of vehicles in order to promote the use of public transport especially in urban areas.

- To structure such taxation and road user charges so that the use of private vehicles would be controlled rather than ownership of vehicles.
- That economic cost of parking will be recovered in all instances and proceeds of such fees is to be used to promote off-street paid parking wherever possible.
- To implement road user charges in the form of electronic tolling in managing urban road space.
- To provide exemption of such road user charges for high occupancy vehicles such as buses and school vans etc.
- To take active steps to improve the fuel efficiency in the use of private vehicles by educating drivers and owners.
- To plan for park and ride and pick up facilities at major public transport terminals such as railway stations, bus terminals, airports etc. would be;.
- The government may arrange a rebate system (based on actual economic benefits) for the employers who provide high occupancy vehicles for transport of employees.

4.6. Non-Motorized Transport

Non-motorized transport will include all modes of urban and rural transport that are either self propelled or animal powered. Typically this would be pedestrians and bicycles in urban areas and in addition bullock carts etc in rural areas.

The government considers that such environmentally friendly modes of transport should be afforded the highest support and will be affecting the following policy interventions:

- To ensure that the planning and development of infrastructure facilities includes reasonable provision for non-motorized vehicles and pedestrians.

- In urban areas to assure that separate infrastructure facilities exist for pedestrians and non-motorized vehicles on selected urban roads and designated regional roads.

- To improve awareness of safety aspects in the use of such vehicles and popularizing the use of safety equipment on bicycles.

- In order to popularize the use of bicycles, by providing a special scheme for financing the purchase of bicycles through the rural banking system.

- To take steps for schools and offices to encourage the use of bicycles and for the provision of parking or stacking and security of such.

- To develop park and ride facilities near railway stations and bus stops for bicycles so that greater degree of choice is provided for door to door services.

4.7 Goods Transport & Logistics

The Government's role in goods transport & logistics will be that of a facilitator. Its primary function in the regards will be:

- Ensuring that taxes, licensing fees etc are computed on the basis of actual costs and that external costs are considered in effecting incentives to particular modes of transport such as railway for heavy goods movements.
- That all motorized goods vehicles be subjected to a Goods Vehicle Conformity Certificate which will have to be renewed every 3 years.
- To stipulate safety standards for the industry.
- Undertake modernization and technology used in the goods and logistics sector such as for packaging, handling, warehousing and e-commerce through continuous funding for research and development.
- Undertake joint ventures and other private investment for utilization of railway resources and capacity for increasing the carriage of goods by railway, especially to and from the ports, airports and industrial zones.
- To mandate the National Transport Commission to maintain a database of planning and operational information on supply chain movements and logistics for the sector and to engage in the development of strategic plans to improve the efficiency of the sector.
- To stipulate and control the axle loads of freight vehicles on roads to prevent damage of roads due to over loading.
- To provide tax incentives for modern vehicles and equipment that will improve the performance of the industry and bring it on par with international standards.
- To assist in developing several rail based Logistics Centers or Villages in close proximity to the port and the airport so that they can function as Inland Container Depots as well as logistics centers.
- Inclusion as a sector which will be provided BOI incentives.
- To take urgent steps to facilitate the development of a sea-air hub for freight transport with good land transport connections using both rail and road.
- Regulating the handling and carriage of hazardous goods.
- Regulating and monitoring of driver work and rest hours for goods vehicles drivers

4.8 Emergency Service Vehicles

Emergency Service Vehicles will be registered and regulated under this Policy. The training and experience required for drivers of such vehicles will be stipulated. As provision is made for non-adherence to some traffic regulations, all such vehicles will require regular inspection and the up keep of a log book which will have to be maintained by an authorized officer of the organization responsible for the use of such a vehicles. Each such vehicle will require an annual certificate of conformity issued by the Department of Motor Traffic in consultation with the National Transport Commission.

4.9. Urban Transport

The Ministry of Transport assisted by the National Transport Commission has already prepared a 3 –year Strategic Action Plan for Traffic Management in Colombo Urban Area. Its strategic approach encapsulates the basic policy level interventions set out as follows:

- To ***reduce the number of vehicles*** circulating within urban area in order to make a greater proportion of limited road space available for high occupancy vehicles that will facilitate the movement of larger amounts of people to and from and within such high density urban areas. This is also expected to improve traffic speeds and also cut pollution loads significantly.

- To ***increase railway passengers carried*** to Colombo and other urban areas by improving services and providing new connections where feasible.

- To ensure that at least 1/3rd of existing road space on major highways within a dense urban area be reserved for ***high occupancy vehicles***. Such areas to be utilized for ***high priority*** bus lanes, light transit systems (trams) or bus rapid transit (BRT) systems in order to improve usage efficiency by reducing large numbers of buses and other vehicles.

- To ensure that at least 1/10th of space of all roads within urban areas provided exclusively for ***non-motorized transport*** such as for sidewalks for walking and bicycle lanes.

- To undertake a complete re-planning of public transport systems within urban areas and suburbs in order to reduce overlapping routes, promote bus priority roads, reduce transfers, promote inter-modal transfers and reduce bus trips and bus parking in city centers.

- To ***reduce the number of goods vehicles*** moving within high density urban areas during traffic hours by relocating or decentralizing logistics and distribution activities away from congested areas and by enforcing truck bans where appropriate.

- To plan to introduce ***Road Pricing*** as a measure of managing traffic levels on a long term basis to be implemented after satisfactory public transport alternatives are provided to private vehicle users.

- To ***integrate land use*** development especially of high density commercial and residential areas in close proximity to public transport corridors.

- To ***identify & preserve railway land*** in the city and its suburbs for future development of transport based facilities such as passenger terminals and park and ride facilities and appropriate high density urban development activities that are consistent with and are part of such transport developments.

4.10 Rural Transport

Rural Transport refers to transport infrastructure & services that link rural and estate areas to the nearest major bus route or town centre where there is a bus terminal, markets or town centers.

The government in recognition of the wider socioeconomic policy of promoting rural socioeconomic well being and equity based growth will provide special consideration with respect to transport needs of rural and under developed or developing areas.

Its primary policy interventions would be in terms of:

- Provision of the bus transport service (Gami Seriya) on compensatory payment basis to communities where there is a justifiable demand for such a service but where it is in adequate to maintain a regular service.
- To fund the development and/or introduction of a suitable vehicle designed for the carriage of both goods and passengers exclusively on roads in remote areas.
- To set up Community Based Transport Monitoring Committees to monitor and report the quality of services provided under the rural transport program.
- To facilitate a regular system of mobile public consultations in rural areas to determine transport needs and to engage in facilitating the design and provision of services to satisfy such demands.

4.11 Transport Administration

- In order to meet the government's responsibility in ensuring the adequate provision of transport infrastructure and services, the following administrative structure will be affected.

- **Policy** – sets out the government's interventions in ensuring the reliable and continuous provision of transport services for public consumption which will be revised from time to time depending on a governments' socio-economic outlook, technological changes, social needs and environmental concerns. .

- **Planning, Implementation & Monitoring**– is the continuous process of observation of performance, discussion and analysis by which mobility needs are identified to be translated to reality through the improvement of existing infrastructure of services or the provision of additional or more modern infrastructure or services while taking in to account other planning conditions such as physical planning and environmental limitation.

- **Regulation** – is the formulation and enforcement of rules by which transport activities are to be conducted or transport services to be operated. Such rules may be made within the wider framework of policy and be modified from time to time in keeping with issues that may require to be dealt with in order to improve services.

- **Infrastructure Provision-** is the physical provision and upkeep of infrastructure such as roads, railways, terminals, parking facilities, operational

systems etc which may be provided by the State or by private providers as the case may be.

- **Service Provision** – is the physical provision of transport services or supporting services related to transport activity, which may be provided by the State or by private providers.

These functions will be delivered through an organizational structure as shown below:

	Policy Making	**Planning**	**Regulation**	**Infrastructure Providers**	**Service Providers**
Motor Vehicles (all)	**M/ Transport[2]**	**National Transport Commission[3]**	**DMT**	**RDA/PRDA/ Local Govt & Private**	**Private**
Railways			**SLR**		
Inland Waterways				**Provincial Councils**	**Private**
Road Passenger Transport Services (all vehicles carrying passengers by bus)			**NTC (Inter) PTA (Intra)**	**SLTB/NTC/ PTA/ Local Govt /Private**	**Private/ SLTB**
Para-Transit carriage of passengers for fee or reward other than buses			**DMT/NTC PTA (intra) Local Govt**	**Local Govt**	**Private**
Rental Vehicles			**DMT**	**Private**	**Providers**
Carriage of Goods by Motor Vehicles (lorries)			**NTC (Inter) PTA (Intra)**	**Private**	**Private**
Non-Motorized (walking, bicycle)			**Local Govt.**	**RDA/PRDA/ Local Govt**	**Private**
Traffic Management				**RDA/PRDA/ Local Govt & Private**	**RDA/PRDA/ LGA**

4.12 Human Resources Development

One of the primary changes envisaged through this policy is to place the transport sector under proper professional management. It is intended that transport will be viewed as a service sector in the same manner as health and education. In this respect it is envisaged that proper standards for those providing inputs to the sector will be framed at all levels. This will include:

- The stipulation of professional qualifications in relevant areas for members of Boards of Management and all senior management positions in the transport sector agencies including the national and provincial transport regulators and all Stare agencies under the respective ministries of transport.

[2] Assisted by the National Transport Commission & other stake holders

[3] In concurrence with Province for National Plans and to give Concurrence from Centre to Provincial Plans and in association with any units assigned with the Planning Functions within the Regulatory or Service Provision bodies such as SLR and DMT.

- The stipulation of standards for managers, bus crew and other staff of such organizations in terms of education and experience.

- It will also be the policy of the Ministry that all executives working in planning, administration and operational aspects would be required to gather specialization in transport related disciplines as is relevant.

- The Ministry will work with all agencies under it to provide continuing professional development for all levels of employees in order to improve their contributions.

4.13 Energy Efficiency

Sri Lanka presently incurs a heavy expenditure on the importation of petroleum fuels for its transport activities. The Government will formulate strategic actions that would reduce the overall consumption by (a) reducing the unproductive transport, (b), shifting of passengers from private to public modes of transport which are more fuel efficient (c) higher taxation of vehicles for private use with higher engine capacities (d) taxation rebates for vehicles having newer fuel efficient technology such as hybrid technology which promotes greater fuel efficiency and also for use of non-fossil fuels.

Moreover worldwide transport consumes nearly 60% of energy and Sri Lanka also bears a heavy burden for providing fuel for transport.

The Government will intervene in order to:

- Ensure that the pricing of fuels is such that it discourages unwarranted use especially when reasonable options of a more energy efficient nature are available. As such to ensure that economic costs including pollution costs are always recovered.

- Mobilize a study to pursue the electrification of suburban railways.

- Provide incentive for new technologies such as hybrid vehicles and new source of fuel such as bio fuel

- To maintain an updated database on the status of the environment and ensure public awareness of the situation and to enlist public support in managing the environment with respect to transport use.

- To study the possibility of introducing less pollution or zero pollution vehicles for public transport and taxis.

4.14 Safety and Security in Transport

Transport Safety is becoming a matter of the highest importance given that with increasing mobility, the vulnerability to accidents is also increased. While road transport now accounts for around 2,300 deaths in Sri Lanka, the matter of accidents at railway crossings as well as accidents to passengers on trains is also of concern.

Moreover, there is a concern the world over that transport and in particular public transport is increasingly vulnerable. Security of passenger is also a growing concern.

Government will intervene in order to:

- To negotiate for a No-Contest accident cover in line with workman's compensation system for all victims of transport related accidents including for passengers in public transport and for pedestrians.
- To change the 'on site assessment' and settlement form of insurance payments to ensure that the offending party is made responsible for the accident.
- To amend the Motor Traffic Act to update new regulations with respect to driving rules and methods of detection.
- To establish a Road Safety Secretariat as a separate institution by and Act of Parliament by repealing the existing legislation.
- To expand the Road Safety Fund for payments to other areas and projects where funds are needed to reduce accidents.
- To audit safety and security aspects of passenger terminals and public transport vehicles on a regular basis.
- To introduce modernization and technology for improved safety management including data bases, computer systems and trained personnel.
- To implement a program to reduce rail-road crossing accidents.
- Improve the driver training and testing systems and to benchmark quality of such procedures.
- To introduce a computerized theory test for driver testing at the Commissioner of Motor Traffic.
- To introduce CCTV cameras for locations of security concerns for public transport users.

4.15 Transport and the Environment

Transport has a number of well known negative impacts on the environment. This mostly takes the form of air pollution, noise pollution, visual pollution, impact on eco system, impacts on human settlements and agriculture etc.

- Testing of emissions annually.
- Implement the Vehicle Emission Testing Program requiring compulsory testing of all vehicles.
- Revise vehicle tax structures to encourage vehicle imports that are *less polluting.*
- Move away from 2 stroke technology for motor vehicles.
- All vehicles should comply with noise standards stipulated under the CEA Act and enforced under the provisions of the Motor Traffic Act.

4.16 Planning & Coordination

Transport is essentially a complex activity. Its efficiency lies in how such complexity can be dealt with in a planned manner so that the ever changing requirements for mobility can be matched with the most appropriate technological interventions. In order to ensure that the planning function is strengthened and becomes a responsibility of an assigned agency, the Government will take the following interventions:

- Include the Planning Role as a Function for the National Transport Commission. Which will include in its planning work the investigation of new modes of transport, energy utilization in transport, issues of network planning and national integration through mobility, regional linkages such as in SAARC and possible future connections with India, planning with respect to improving requirements of users for mobility, safety, convenience, comfort and security and maintaining databases for use in transport planning.

- Set commission a Coordination Mechanism for Urban Transport through the Presidential Committee for Urban Transport (PCUT).

4.17 Research & Development

Sri Lanka's transport network has fallen behind in terms of technology. Most aspects both in terms of hardware as well as procedures and software need to be rapidly developed in order that the sectors performs efficiently and provides the modern day amenities associated with quality transport. Towards this end, the Government shall:

- Ensure that all data that each agency holds and collects including personnel information, operational and asset data will be stored in Management Information Systems that are well designed for multi-use.

- That all operational aspects such as timetables, route and schedule information, fares and tariffs will be made available on real time basis.

- Each agency under the Ministry of Transport will allocate a minimum of 1% annually of its recurrent expenditure on research and development including innovations of both hardware and software.

- The National Transport Commission will be charged with earmarking at least 2% of its total budget on R&D annually.

- Organizations will be encouraged to develop internal research capabilities and to also encourage obtaining results of funded research through universities and other research agencies for more specialized work.

- The use of ICT would be used in studying costs and revenues of state sector transport providers and to enhance the efficiency of such operations.

4.18 Public Participation

This Policy will initiate a greater degree of public participation in the planning, provision and monitoring of services. This will give rise to the following instruments:

- Setting up of Transport Monitoring Committees for Planning and Monitoring of Bus routes and Special services such as “Sisu Seriya” and “Gami Seriya”.

- Setting up of a dedicated External Relations or Public Relations unit that would liaise with the public in terms of representing their position or views within an organization- as opposed to defending the organization per se.