Rail Development Authority

Why in news?

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The decision to set up the Rail Development Authority of India recently is being seen as the most important action taken so far to bring about institutional change for reforms in the biggest departmental undertaking of the Government.

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What are the functions of the authority?

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- The authority will have five members, including a chairman, who will be identified by a search and selection committee headed by the cabinet secretary and three others, all from within the Government.
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- Some of the **regulatory functions** listed are: pricing of services commensurate with costs, protection of consumer interests, ensuring competition, creating a positive environment for investment, and providing a framework for non-discriminatory open access to the dedicated freight corridor.
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- Some of the **developmental functions** listed are: promote efficiency and economy and absorption of new technology, market development, benchmarking of services against international norms, and human resources development.
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- The authority "**shall make recommendations** to the government for appropriate consideration/decision" pertaining to the above two functions.
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- It will be **up to the railway minister of the day to accept** the authority's advice or not.
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- Among the power of the authority, the concept paper mentions **"dissemination of information".** It will publish reports and investigations and, in particular, convey its decisions through publicly available documents.

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What changes needed in the proposed body?

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- It was then felt that if an independent regulator handed down a revision of fares and freight rates which the railways had no option but to accept, then that would take the political sting out of the decision.
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- The proposed body fails to change this present scenario by **being another advisory body.**
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- With the number of passengers using the railways stagnant in recent years and freight carried last year not even reaching the previous year’s level, market conditions are such that raising fares or freight rates at this juncture will drive away business even more.
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- Thus the need of the hour for the railways is not the ability to raise prices (fare and freight rates) but **the ability to cut costs and canvas for fresh business.**
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- This will come from the organisation being corporatized and made to function professionally.
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Source: Indian Express

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