

11. **Additional Agenda Item I**
Request of Telecom Companies for Revision of NHA ROW Usage and Allied Charges in Respect of Lying of Optical Fiber Cable

Proposal

11.1. The Executive Board is requested for reconsideration and rationalization of recent rate revision in-order to support the industry and encourage further investment in telecom sector. Following are their recommendations/proposal:

- a. Flat rentals of Rs. 30 per meter per annum including Bridges involved in lying.
- b. This flat rate to be locked for next 10 years.
- c. Subsidy in rates for Fata and Baluchistan.
- d. Refundable Security of 2017 to be waved off as earlier Rs. 5 million already deposited by each operator.
- e. Supervision Charges of 2017 to be waved off as industry itself is supervising/guarding and maintaining its network.
- f. NOC Fee of 2017 be scaled back to the rate of 2010.
- g. Rentals should be made on annual basis instead of five (05) years advance.
- h. Rate revision should be effective from July 01, 2018

Presentation

11.2. The Director (ROW) presented the agenda item and informed the Board about the details of the case as under.

11.3. Pursuant to the approval of NHA Executive, revised rates for use of NHA ROW to lay/cross Optic Fiber Cable (OFC) was implemented w.e.f. March 01, 2017. Accordingly, new cases of OFC

were processed as per new rates. However, the Telecom Companies are not willing to pay NHA dues as per new rates considering the said revision of NHA on higher side and without any solid basis. They also called such revision as undue and manifold increase which have negative impact on industry and may halt further investment in this sector. The industry claimed that their present margins has been squeezed whereas, their operational expenditures has become exorbitant. Therefore, recent increase in ROW charges by NHA would further aggravate the situation at this stage.

11.4. The Telecom Industry has requested for reconsideration and rationalization of recent rate revision in-order to support the industry and encourage further investment in telecom sector. Following are their recommendations/proposal:

- a. Flat rentals of Rs. 30 per meter per annum including Bridges involved in lying.
- b. This flat rate to be locked for next 10 years.
- c. Subsidy in rates for Fata and Baluchistan.
- d. Refundable Security of 2017 to be waved off as earlier Rs. 5 million already deposited by each operator.
- e. Supervision Charges of 2017 to be waved off as industry itself is supervising/guarding and maintaining its network.
- f. NOC Fee of 2017 be scaled back to the rate of 2010.
- g. Rentals should be made on annual basis instead of five (05) years advance.
- h. Rate revision should be effective from July 01, 2018.

11.5. The Executive Board is requested to consider the above proposal of Telecom Industry and decide the issue in the light of following:

- a. For deliberation and guidance of board
- b. Escalation/enhancement in rentals after every 3 years may be made as per year CPI rate
- c. No change recommended
- d. At present, each operator has deposited Rs. 5 million as Security It is proposed this may be increased to Rs. 10 million which remain intact with NHA.
- e. For deliberation and guidance of board
- f. As per NHA SOP
- g. No Change Recommended
- h. For deliberation and guidance of board

Deliberation

11.6. The Chief (NTRC) inquired about the high rates for usage of NHA ROW at bridges. The Director (ROW) explained that due to non availability of deck along the bridge additional hangers are required to be installed for optical fiber cable; therefore the rates are on higher side. The Chief (NTRC) suggested NHA to rationalize the rates policy and future requirements of CPEC lines.

11.7. The Member (IS&RC) suggested to subsidize the rates for Balochistan and FATA. The Board endorsed his views. In response, Member (Finance) explained that as NHA road network passes through all provinces and Gilgit Baltistan, which consist of developed and under developed areas. Any subsidy on the basis of status of areas may induced others for concession; therefore, uniformity of rate principle may be adopted for the entire network. However, as directed by the Board, matter will be further studied for future planning and policy making.

11.8. The Board deliberated and cleared the proposal.

Decision

11.9. The NHA Executive Board approved the following NOC fee, rental charges, etc. for laying of optical fiber cable/wire in NHA ROW:



- a. NOC Fee. NOC for each case depending upon the length of work will be charged as under:

<u>0 to 10KM</u>	<u>11 to 30 Kms</u>	<u>31 to 50 Kms</u>	<u>51 to 100 Kms</u>	<u>above 100 Km</u>
Rs.400,000/-	Rs.800,000/-	Rs.1,000,000/-	Rs.1,500,000/-	Rs.2,000,000/-

- b. ROW Rental Charges. Row Rental Charges Rs.30 (per meter per annum) will be applicable
- c. Bridges/Culverts Crossing Rental Charges. As per length, following Bridge/Culvert crossing rental charges per bridge per annum will be applicable
- Rs. 100,000 for bridge length from up to 30 meters
Rs. 200,000 for bridge length from 31 to 50 meters
Rs. 300,000 for bridge length from 51 to 100 meters
Rs. 500,000 for bridge length more than 100 meters
- d. Payment Period for Advance Rentals. Both ROW usage and Bridge/culvert crossing rentals will initially be paid in advance for three (03) years and thereafter payment on yearly advance basis be made.
- e. Applicable Taxes. Above rates are net off tax, all applicable taxes as per prescribed rates for filers and non-filers will be added in above rates for the deduction of tax.
- f. Escalation. To overcome inflationary effect, these rates will be increased after every three years (03) as per yearly CPI rates.
- g. Security. Instead of payment of refundable security with each case, each operator will deposit Rs. 10 million as security deposit which shall remain intact with NHA (Presently, each operator has deposited Rs.5.0 million as security deposit with NHA, therefore, additional Rs.5.0 million will have to deposit by each operator/ applicant).

- h. Supervision Charges. Rs.1,000 and Rs.2,000 (for every 01 Km) will be charged as supervision charges for each NOC in respect of highway and motorway network, respectively.
- i. Effective Date of Rate Revision. This rate revision will be effective from March 01, 2017.

Action By : Member (Finance)

12. **Additional Agenda Item II**
Revised PC-I of Construction / Rehabilitation of Larkana - Naudero - Lakhi Road (61 Km)

Proposal

12.1. The NHA Executive Board is requested to recommend the Revised PC-I for "Improvement and Rehabilitation of Lakhi-Naudero-Larkana Road Project amounting to Rs. 3614.724 Million for approval of CDWP/ECNEC.

Presentation

12.2. The Dy. Director (Maintenance) NHA, Jamshoro presented the agenda item and informed the Board about the details of the case as under.

12.3. Background.

- a. The proposed road being taken up for construction is a part of the Larkana Development Package, which focuses primarily on the development of a road network, whereby Larkana is connected with the other towns and districts. The existing roads in the relevant districts are narrow and do not meet NHA's specifications. Most of the district roads are broken with excessive encroachments. The city is expanding without planning.
- b. The existing road traverses through cultivated lands and most of the areas is water logged, with stagnant water accumulating along the existing



18. **Agenda Item 15**
Creation of NHA Post Retirement Medical Fund

18.1. The subject agenda item was deferred and will be discussed in forthcoming meeting.

Action By : Member (Finance)

19. **Agenda Item 16**
Revision of NOC Fee Rentals and Cash Security for Use of NHA ROW Lying of Utility Services Along NHA Network

Proposal

19.1. The Executive Board is requested to approve the proposed revision of rates (NOC Fee, Rentals & Cash Security) for both laying of utility services and Optic fiber cable through, across, along, under or over any road, bridge and ROW of NHA Road Network. These rates will be applicable w.e.f March 01, 2017.

Presentation

19.2. The GM (ROW) presented the agenda and briefed the Board about the background and details of the proposal, as under:

- a. NHA ROW can be utilized by any person, municipal committee, district government, cantonment board or any other government agency to construct or carry any cable, wire, pipe, drain, sewerage channel of any kind through, across, along, under or over any road and bridge of NHA Road Network after obtaining NOC on payment of prescribed NOC Fee and advance rentals (five years or as prescribed by the authority) as give in Regulatory Frame Work and Standard Operating Procedures for Preservation and Commercial use of ROW 2002 as revised in 2004. In addition, Rules 11 & 12 of National Highway Strategic Control Rules 1998 as amended in 2002 also elaborated the procedure.
- b. After five year advance rental payment, subsequent rentals will be paid on yearly advance basis. The authority reserve the right to remove the utility line from its ROW, if their annual advance payment is not

received within due date. In case of planned utilization of right of way, utility lines will be removed/ relocated by the agency concern within thirty days from the date of issuance of such notice by NHA at its own cost and expenses.

c. NOC fee and rental charges have been revised in the past in the following years:

- i. Applicable w.e.f July-2002 as given in NHA Code 2002
- ii. Revised in 2005 as per revision of NHA Code in 2005
- iii. Revised in January 2009 vide 166th NHA Executive Board Meeting.

d. In addition, NOC fee and rentals with respect to optic fiber cables were rationalized in January 2010 vide minutes of the meeting dated 19-02-2010 between NHA and representatives of telecom companies. NHA usually revised its rates after three to five years. However, since last revision (i.e. January 2009), seven years have been passed, therefore, further revision in rates is indispensable to cater for the inflationary affect.

A. Proposed NOC Fee, Rental Charges etc. for laying of Optical Fiber Cable/wire in NHA ROW

NOC FEE. (per case).

0 to 10KM	11 to 30 Kms	31 to 50 Kms	51 to 100 Kms	above 100 Km
Rs.400,000/-	Rs.800,000/-	Rs.1,000,000/-	Rs.1,500,000/-	Rs.2,000,000/-

ROW Rental Charges (per meter per annum)

RoW Rental Charges Rs. 50

Rental Charges for crossing Bridges/Culverts

(per Bridge/Culvert per annum)

- Rs. 100,000 for bridge length from upto 30 meters
 Rs. 200,000 for bridge length from 31 to 50 Meters
 Rs 300,000 for bridge length from 51 to 100 Meters
 Rs. 500,000 for bridge length more than 100 meters

Both ROW usage and Bridge/culvert crossing rentals will be initially paid in advance for five (05) years and thereafter on yearly advance basis.

Above proposed rates are net off tax, withholding tax as per prescribed rates for filers and non-filers will be added by the NOC holder / applicant to have gross NHA charges with tax.



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Escalation. To overcome inflationary effect, these rental rates will be increased @20% after every three years.

Cash Security (Refundable).

0 to 10 KM	11 to 30 Km	31 to 50 Km	51 to 100 Km	above 100 Km
Rs.400,000/-	Rs.800,000/-	Rs.1,000,000/-	Rs.1,500,000/-	Rs.2,000,000/-

To be paid along with NOC Fee and five year advance rentals for issuance of NOC, which will be subsequently released on the recommendations of concerned field Office that rehabilitation work at site has been done up to the satisfaction of NHA, otherwise, this will be forfeited

Supervision Charges Rs100,000 and Rs.200,000 (for every 10 kms) will be charged as supervision charges for each NOC in respect of highway and motorway network respectively.

In case of removal of fault in already laid OFC (where NOC has already been issued), per fault / location supervision charges @ Rs. 100,000 and Rs. 200,000 for highways & motorway respectively will also be applicable for carrying out/execution of maintenance works in ROW.

B. Proposed NOC Fee, Rental Charges and Cash Security for laying/ crossing of Pipelines/ Drain/ sewerage channel (SNGPL, SSGCL, WASA, PUBLIC HEALTH ENGINEERING, OIL ETC.) & Erection of Electric Polls & Power Cables (WAPDA & DISCOS ETC.) & in NHA Right of Way in NHA Right of Way

NOC FEE (for main Supply Lines)	Rs. 1 Million (per NOC) for Highways Network
NOC FEE (for main Supply Lines)	Rs. 2 Million (Per NOC) for Motorways Network
NOC FEE (for Connection from main Supply Lines)	Rs. 0.3 Million (per NOC) for Highways Network
NOC FEE (for Connection from main Supply Lines)	Rs. 0.5 Million (Per NOC) for Motorways Network

Usually length of 100m to 500m of NHA ROW along Highway is used for crossing/laying pipelines, drain, sewer channel of any kind, therefore, due rentals for use of ROW is on lesser side which being one time may be increased on higher side to compensate the rental charges.

ROW Rental Charges. (Per meter per annum)

<u>Road Network</u>	<u>Up to 12"</u> <u>(Rs.)</u>	<u>13" to 24" (Rs.)</u>	<u>25" & above</u> <u>(Rs.)</u>
Highways	100	200	500
Motorways	1000	2000	3000

Rental Charges for crossing Bridges/Culverts
(Per Bridge/ Culvert per annum)

Rs. 100,000	for bridge length from 0 to 30 meters
Rs. 200,000	for bridge length from 31 to 50 Meters
Rs. 300,000	for bridge length from 51 to 100 Meters
Rs. 500,000	for bridge length more than 100 meters

Both ROW usage and Bridge/culvert crossing rentals will be initially paid in advance for five (05) years and thereafter on yearly advance basis. .

Above proposed rates are net off tax, withholding tax as per prescribed rates for filers and non-filers will be added by the NOC holder / applicant to have gross NHA charges with tax.

Cash Security (Refundable). Rs. 500,000/- per case for both highways and Motorways network will be charged as refundable cash security. This will subsequently be released on the recommendations of concerned field Office that rehabilitation work at site has been done up to the satisfaction of NHA, otherwise, this will be forfeited

Supervision Charges. Rs.100,000 and Rs.200,000 (for every 10 Kms) will be charged as supervision charges for each NOC in respect of highway and motorway network respectively.

In case of removal of fault in already laid OFC (where NOC has already been issued), per fault / location supervision charges @ Rs. 100,000 and Rs. 200,000 for highways & motorway respectively will also be applicable for carrying out/execution of maintenance works in ROW.

Escalation. To overcome inflationary effect, these rental rates will be increased @20% after every three years.

Deliberation

19.3. The Board deliberated and cleared the proposal.

Decision

19.4. The NHA Executive Board approved the revision of rates. These rates are applicable w.e.f March 01, 2017. The details are as under:

A. NOC Fee, Rental Charges etc. for laying of Optical Fiber Cable/wire in NHA ROW

NOC FEE. (per case).

0 to 10 Km	11 to 30 Km	31 to 50 Km	51 to 100 Km	above 100 Km
Rs.400,000/-	Rs.800,000/-	Rs.1,000,000/-	Rs.1,500,000/-	Rs.2,000,000/-

ROW Rental Charges (per meter per annum)

RoW Rental Charges Rs.50

Rental Charges for crossing Bridges/Culverts

(per Bridge/Culvert per annum)

Rs. 100,000	for bridge length from up to 30 meters
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Rs. 500,000	for bridge length more than 100 meters

Both ROW usage and Bridge/culvert crossing rentals will be initially paid in advance for five (05) years and thereafter on yearly advance basis.

The rates are net off tax, withholding tax as per prescribed rates for filers and non-filers will be added by the NOC holder / applicant to have gross NHA charges with tax.

Escalation. These rental rates will be increased @20% after every three years.

Cash Security (Refundable).

0 to 10 KM	11 to 30 Km	31 to 50 Km	51 to 100 Km	above 100 Km
Rs.400,000/-	Rs.800,000/-	Rs.1,000,000/-	Rs.1,500,000/-	Rs.2,000,000/-

To be paid along with NOC Fee and five year advance rentals for issuance of NOC, which will be subsequently released on the recommendations of concerned field Office that rehabilitation work at site has been done up to the satisfaction of NHA, otherwise, this will be forfeited.

Supervision Charges Rs100,000 and Rs.200,000 (for every 10KMs) will be charged as supervision charges for each NOC in respect of highway and motorway network respectively.

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In case of removal of fault in already laid OFC (where NOC has already been issued), per fault / location supervision charges @ Rs. 100,000 and Rs. 200,000 for highways & motorway respectively will also be applicable for carrying out/execution of maintenance works in ROW.

B. NOC Fee, Rental Charges and Cash Security for laying/ crossing of Pipelines/ Drain/ sewerage channel (SNGPL, SSGCL, WASA, PUBLIC HEALTH ENGINEERING, OIL ETC.) & Erection of Electric Polls & Power Cables (WAPDA & DISCOS ETC.) & in NHA Right of Way in NHA Right of Way

NOC FEE (for main Supply Lines)	Rs. 1 Million (per NOC) for Highways Network
NOC FEE (for main Supply Lines)	Rs. 2 Million (Per NOC) for Motorways Network
NOC FEE (for Connection from main Supply Lines)	Rs. 0.3 Million (per NOC) for Highways Network
NOC FEE (for Connection from main Supply Lines)	Rs. 0.5 Million (Per NOC) for Motorways Network

ROW Rental Charges. (per meter per annum)

Road Network	Up to 12" (Rs.)	13" to 24" (Rs.)	25" & above (Rs.)
Highways	100	200	500
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Rental Charges for crossing Bridges/Culverts

(per Bridge/Culvert per annum)

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Both ROW usage and Bridge/culvert crossing rentals will be initially paid in advance for five (05) years and thereafter on yearly advance basis.

The rates are net off tax, withholding tax as per prescribed rates for filers and non-filers will be added by the NOC holder / applicant to have gross NHA charges with tax.

Cash Security (Refundable). Rs. 500,000/- per case for both highways and Motorways network will be charged as refundable cash security. This will subsequently be released on the recommendations of concerned field Office that rehabilitation work at site has been done up to the satisfaction of NHA, otherwise, this will be forfeited.

Supervision Charges. Rs.100,000 and Rs.200,000 (for every 10 Kms) will be charged as supervision charges for each NOC in respect of highway and motorway network respectively.

In case of removal of fault in already laid OFC (where NOC has already been issued), per fault / location supervision charges @ Rs. 100,000 and Rs. 200,000 for highways & motorway respectively will also be applicable for carrying out/execution of maintenance works in ROW.

Escalation. These rental rates will be increased @20% after every three years.

Action By : Member (Finance) / GM (ROW)

20. **Agenda Item 17**
Operational Issues Regarding Signed Leases of Row

Agenda Item 18
Regulation for Controlling, Conducting & Monitoring of Litigation, 2017 (Re-Organization of Legal Bureau)

20.1. The subject agenda items could not be discussed due to paucity of time.

Action By : Secretary NHA

21. **Agenda Item 19**
PC-I for Construction of 4-Lane Bridge and 2-Lane Approach Roads Across River Indus Connecting Kallurkot with D.I. Khan

Proposal

21.1. The NHA Executive Board is requested to recommend the PC-I for "Construction of 4-lane Bridge and 2-lane Approach Roads Across River Indus Connecting Kallur Kot with D.I. Khan" at a cost of Rs.7,085.77 Million for consideration and approval of CDWP/ECNEC.

Presentation

21.2. The GM (Planning) presented the agenda and briefed the Board about the details of PC-I, as under: