



President

R.R. PRASAD

MTNL : 23381326

Secretary General

R.N. SINGH

MTNL : 23382852

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Dr. Bibek Debroy

Chairman

High Level Railways Restructuring Committee (HLRRC)

New Delhi

Dear Sir,

Federation of Railway Officers Association (FROA) is the apex body representing Railway Officers of **nine** organized Group-A Railway Services. The comments/views of FROA on the Interim Report of the Committee, are as under-

(I) **Para 5.30 - Two Group "A" Services : IRTechS and IRLogS**

FROA reiterates its view that the eight organized Group "A" Railway Services should be amalgamated into a single unified 'Indian Railway Service' (IRS) and all direct recruitments in future should be made into this single Service. The formula for inter-se-seniority has been devised by FROA and is enclosed herewith.

For future recruitments into a single Indian Railway Service, FROA does not envisage that all technical skill sets and competencies must be available in every officer as expected by the Committee at para 5.30, which may not be feasible. Instead, FORA suggests that Railway Board should indicate a matrix of specializations/qualifications such as Degree in Civil Engineering/other Engineering, MBA in Finance/HR etc and number of recruits for each such specialization/qualification to UPSC at the time of recruitment. Initially, UPSC should recruit Group "A" Railway officers separately for each such specialization and numbers, as per existing system. Once recruited, UPSC will prepare and publish a combined inter-se-seniority list of all streams of Railway officers of a batch through a pre-notified formula. Thus there will be no compromise on specializations even if the recruitment is made into a single Service. There will be some common modules of training and some separate modules of training for each specialization.

There are many existing examples of recruitment of Group 'A' officers of different specializations/streams into a single cadre such as 'Indian Ordnance Factories Service' and 'Indian Railway Stores Service', in which recruits from four different specializations are merged into a single cadre by UPSC, right at the recruitment stage. This system can be improved upon further, if required. As an alternative, recruitment process currently being followed in 'Indian Forest Service' (IFoS) can also be emulated, wherein candidates who take the exam with different subjects, are recruited into a single service(IFoS).

IR is a mega-transporter owning a vast network of fixed assets and a huge fleet of rolling assets. It also maintains and nurtures them for safety, productivity and economic efficiency. Hence it has to remain bundled together with complex technical and professional competencies without cross-functional friction. A single Gr'A' service encompassing all necessary skill sets, is best suited to serve the organizational interest. The existing incumbents of the eight services can also be amalgamated in to a single service through a rational inter-se seniority formula enclosed.

A single Service (IRS) will not only end departmentalism, seniority disputes and fragmented loyalties forever, but will also bring much needed synergy and cohesiveness in Railway administration. Going for two Services namely IRTechS and IRLogS will lead to intense departmentalism and rivalries between Officers of the two streams. While FROA is unanimous to urge for a single Indian Railway Service (IRS), it is unable to understand the reason why the Committee desires to fragment Railway Officers into two competing silos. In this regard, the Committee must avoid the motivated advice of some retired Railway Officers who are over-active with pre-fixated baggage and feudal mindsets of one upmanship.

(II) **Para 5.31 - Creation of a General Management Service (IRGMS):**

FROA strongly opposes the proposal for creation of a General Management Service (IRGMS). Carving out a new Service out of the existing Group 'A' Services through mid-career selections does not have any precedence in Government of India. The officers of proposed IRGMS, while working in General Management posts, will have greater administrative jurisdiction and influence, which will also extend into controlling the remaining officers of the cadres of proposed IRTechS and IRLogS. Therefore, this proposal will create an 'Aam'-'Khas' division among officers. This will lead to deep disenchantment and demotivation of the officers of remaining in IRTechS and IRLogS and will have an adverse effect on management of Railways. There will also be multiplicity of court cases on selection processes, reservation rosters and seniority issues, apart from allegations of nepotism, corruption etc. The Committee itself apprehends trouble when it admits at para-5.37 that it does not have expertise to work out a common inter se seniority.

In order to avoid severe conflict among brother officers, FROA has been advocating for a unified single Indian Railway Service. The need of General Management in Railways can be fulfilled by officers of Indian Railway Service through an appropriate empanelment mechanism

and mid-career training. A single Indian Railway Service will also obviate any need of an IRGMS.

(III) Para 5.57 & 2.43: Unbundling of IR into two organizations:

FROA observes a conflict of intent and confusion in the following two sets of contradictory recommendations made by the committee:

- (a) Merger of existing Group 'A' Railway Services
- (b) Unbundling of IR into three corporate entities, namely, Railway Infrastructure Corporation, IRMC and a Train operator company.

It has been indicated in the Epilogue that the proposal of unbundling may be achieved in 5 years. It is indeed difficult to appreciate the need of merger of existing Group 'A' Railway Services and creation of the new proposed Services like IRTechS, IRLogS and IRGMS only for a transition period of 5 years whereas an officer, once recruited, is expected to serve in a career spanning about 34-38 years.

FROA is unable to support such an inherently conflicting policy paradigm. An organizational restructuring brings lots of pains to the employees. If the policy prescription of such reforms is itself in a state of confusion, the pains would be severe and chronic. Hence FROA opposes the idea of unbundling of IR into three entities. In the socio-political milieu of India's evolving democracy, there is a tremendous discord among institutions leading to numerous legal disputes. Unbundling IR into multiple institutions will also breed such discord and in the process will paralyze the Railway operations bringing much greater pain to the travelling public as well as the country's economy. The Committee itself admits that the costs of failure are too disastrous (para 1.23).

In this context FROA would like to submit a note of caution drawn from the tragic tales of corporatization and privatization of British Railways by successive Conservative Governments of Margaret Thatcher and John Major which had almost similar sequence of restructuring as proposed by the Committee. In fact, Prime Minister Major's treasury was under such great influence of the Adam Smith Institute think tank, that it paid no heed even to objections within the Cabinet before legislating the unbundling plan in 1993. In a matter of few years, the ownership of rolling stock technologies of which the British were pioneers, passed on to Bombardier, a Canadian MNC based in Germany. The infrastructure under the corporate entity "Railtrack" rapidly deteriorated resulting in the Hatfield rail crash of 17.10.2000. The accident inquiry not only exposed major stewardship shortcomings of the infrastructure company "Railtrack", but also failings of regulatory oversight. Subsequently, the infrastructure company 'Railtrack' was again taken over by the government in 2001 through various governmental organizations/PSUs etc. and renamed as 'Network Rail'.

It is obvious that Committee has glossed over the above fact and has not gone in to the track record of private infrastructure company 'Railtrack' between 1993 & 2001, and has also ignored the fact that current status of 'Network Rail' has been changed to public sector body fully

owned & funded by British Govt. alongwith taking over of its accumulated debts of £30 billion wef April'2004 (retrospectively), through the notification of Sep'2014.

Therefore it is imperative for the committee to examine the reasons for re-nationalisation of the 'Railtrack' within 8 years of corporatisation, as the same is highly relevant to this recommendation.

Hence FROA suggests to limit the current plan of restructuring only to the merger of Services into a single Indian Railway Service as per proposed inter-se-seniority formula. Further reforms such as unbundling of IR into multiple corporate entities can wait till such time India's democracy and consequently institutional relationships mature further. Zeal for hasty reforms should not override the greater public interest of safe, economic and mass/bulk rail transportation and technical and professional competencies should be accorded due primacy. In short, so called reforms should not deform a successfully functioning enterprise into a failed organization like 'Railtrack' or Air India.

The provision to run private trains already exists for container train operators (TOCs), who have been granted licenses for operating their private trains by paying access charges/haulage charges. Similarly, private passenger trains are currently being operated by IRCTC & RTDC. More operators including passenger train operators can be permitted on all routes. Thus FROA does not oppose any private operator or introduction of regulatory mechanism. FROA is aware of service improvement which these measures can bring to Indian public at large and thus supports them.

(IV) Para 1.23 & Para 2.12: Railway Board to be a Board for IR and Ministry of Railways to be separated

This recommendation of the Committee would necessitate amendment of 'Indian Railway Board Act-1905'. FROA strongly opposes this recommendation and reiterates its demand that Railway Board must continue as the apex policy making body of the Railway sector in India inclusive of functioning as Ministry of Railways as mandated by Railway Board Act. Creating another layer of bureaucracy above Railway Board will not bring in greater efficiency but lead to red-tapism and delays. FROA also reiterates its demand that Chairman Railway Board and Board members must continue to be appointed from among the Group 'A' Railway Services only. The committee has itself said that Railway Board can also take additional members from outside. Once that provision is there, it is not understood why there is still need to tap outside talent for Member (Fin/PPP) and Member (HR & Stores).

Ministry of Railway needs simultaneous interaction among different departments so as to facilitate its 24 x 7 output and also to plan inputs for future. With the recent and also additionally proposed delegation to field units, there is hardly any operations aspect which Board will need to handle. Thus Board will do only policy and planning which was its original intention which ought to remain with it. Thus the separation of policy from operations is thus already there.

Hence there is no need to put in an additional layer of bureaucracy between Board the Railway Minister by creating an entity called Ministry. Railway Board is and must continue to remain as the Ministry of Railways. Even the British were wiser and cautious when they decided not to saddle Indian Railways with a separate “Ministry”. The omnipresent, efficient and modern US administration can manage without Ministries. The Committee should be progressive in its approach and recommend to discard flab and should not advocate another mechanism to create the stranglehold of generalist bureaucracy over a set of technical and professional public servants.

(V) **Para 5.56: TADK**

The issue of TADKs is not at all connected with restructuring of Railway Board and as such is not under the purview of the Committee. A separate Committee is already looking into this issue. Therefore FROA urges the Committee not to take up this sensitive issue in its final Report. In any case, FROA strongly opposes any such attempt to discontinue the policy of providing TADKs.

Since the above issues are of immense significance to the Railway Officers and have a bearing on their morale, FROA requests the Committee to give it another opportunity of making a presentation and discussion.

With warm regards.

(R. N. Singh)
Secretary General

Copy:

1. Members of High Level Railways Restructuring Committee
2. Secretary, High Level Railways Restructuring Committee