

No. RW/NHIII/P/24/84

Dated the 25th Sept. 1984

To

The Secretaries of all the States/Union Territories

Subject : Construction of parallel service roads along National Highway Bypasses by the State Governments

State Governments are aware that ribbon development along the National Highways has become a serious problem in recent years and in order to tackle this problem efficiently, construction of service roads requires urgent and serious consideration by the State Government. In order to discharge these liabilities it was decided that State Government will be responsible for providing parallel service roads and meet the cost of land acquisition, construction and future maintenance of the same where the new bypass runs through the municipal limits. If the bypass runs outside the municipal limits, the State Government will construct the parallel service roads at its own cost before allowing extension of municipal limits and urbanisation.

2. In the Transport Development Council meeting held in April 1984, the State representatives expressed difficulties in financing the cost of service roads from their own resources. It was, therefore, felt that it would be appropriate to treat parallel service roads to bypasses as part of N.H. Project and cost of the same met on 50 : 50 basis by the Centre and States concerned.
3. The Ministry has carefully examined the proposal of sharing the cost of parallel service roads on 50 : 50 basis. It is felt that since the allocation of funds for the development of the National Highways at the disposal of Ministry of Shipping & Transport is very meagre, it would not be possible for the Government of India to share the cost of construction of parallel service roads.
4. Ministry also feels that there is scope for State Governments themselves to find resources to construct parallel service roads along bypasses. The cost of construction of service roads along bypasses need not be funded by the State Government out of their Plan allocation for roads but could easily be financed by the Development Authority of the Town/City for which the bypass is to be constructed out of gains to be mobilised by them from rise in prices of land between the Town/City and the bypass. It may specifically be mentioned here that as soon as the bypass is constructed, the land price on either side shoots up and the local Development Authority can easily take advantage of this situation in raising their resources by acquiring cheap land and selling it at higher price after the bypass has been constructed.