

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

RAJYA SABHA
STARRED QUESTION NO. 189
ANSWERED ON- 06/08/2025

ANALYSIS OF NEW FASTAG POLICY

*189. DR. ASHOK KUMAR MITTAL:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the proposed ₹3,000 annual FASTag pass disproportionately benefits high-income private vehicle owners while excluding commercial and rural users, if so, the details thereof;
- (b) what mechanisms are in place to prevent revenue loss from blanket toll waivers under this pass;
- (c) whether this move undermines the principle of user-based tolling and incentivizes increased private road use over public transport, if so, the details thereof;
- (d) in what manner Government justifies the scheme when essential road maintenance is underfunded in many regions; and
- (e) whether no public consultation was conducted before announcing such a nationwide policy shift?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a) to (e) A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE RAJYA SABHA STARRED QUESTION NO. 189 FOR ANSWER ON 06.08.2025 ASKED BY DR. ASHOK KUMAR MITTAL REGARDING ANALYSIS OF NEW FASTAG POLICY.

(a) The annual pass is available to national highway users of all non-commercial cars, jeeps and vans, irrespective of income level and irrespective of whether the users are from rural or non-rural areas. The annual pass will provide user convenience and reduce congestion at the fee plazas benefiting all users. Further, the cap of 200 fee-plaza crossings is designed to bring equity among different categories of highway users while at the same time limiting the revenue implication so that the highway expansion programme of the Government is not affected.

Additionally, the NH Fee Rules already include provisions that exempt users of two-wheelers, three-wheelers, tractors, combine harvesters, and animal-drawn vehicles from paying user fees at fee plaza on National Highways, t hereby benefiting rural highway users.

(b) The Annual Pass can be activated by payment of Rs. 3000/- (Rupees three thousand) offering 200 fee plaza crossings or one year validity, whichever is earlier.

There are no blanket toll waivers under the Annual Pass scheme. The annual pass will provide user convenience and reduce congestion at the Fee Plazas.

(c) The Annual Pass is also a user-based fee collection system with reduced user fee for 200 fee-plaza crossings on payment of Rs. 3000/-.

The choice between private transport and public transport is influenced by multiple factors, such as fuel costs, convenience, travel time, last-mile connectivity, personal circumstances etc. User fee is only one of several considerations in that decision.

(d) Maintenance of National Highways (NHs) is regulated/governed as per the provision of the respective Contract/Concession Agreement. As per the Government's policy, if any stretch of a NH is not covered by post-construction defect liability or maintenance provision in terms of the construction/development Contract/Concession Agreement, then Government approves either a Short Term Maintenance Contract (STMC) or a Performance based Maintenance Contract (PBMC) for already developed stretches. The maintenance of National Highways is carried out as per requirement and it is ensured that no stretch of National Highways remains unattended.

(e) The Annual Pass scheme has been formulated in response to several public complaints about user fee charges and congestion at fee plaza specially for commuter traffic. The annual pass mechanism balances user convenience, public affordability and cost recovery.
