

RAJYA SABHA

***SYNOPSIS OF DEBATE**

(Proceedings other than Questions and Answers)

Friday, March 20, 2015/ Phalguna 29, 1936 (Saka)

RULING BY THE CHAIR

MR. DEPUTY CHAIRMAN: I have gone through the entire Rules relating to Legislation contained in Chapter IX of the Rules of Procedure and Conduct of Business in the Rajya Sabha. Both the Rules 93 and 125 are absolutely clear. Rule 125 is not complete in itself as far as the procedure to be followed after presentation of the Report of Select/Joint Committee. Therefore, the procedure to be followed after the presentation of a Report by the Select/Joint Committee on a Bill either introduced in the Council of States or transmitted to it by the other House will be the same as delineated in Rules 93 and 94 of the Rules of Procedure. I, therefore, hold that the amendment given by Shri P.Rajeev is in order.

GOVERNMENT BILLS

The Mines and Minerals (Development and Regulation) Amendment Bill, 2015 -Contd.

SHRI BHUPENDER YADAV: This Bill is being strengthen by the Amendments. Transparency in procedure are being followed and delay is being shortened by this amendment. Besides, procedure is being simplified. By keeping in view of the recommendation of the Huda Committee, the provision for the inclusion of high level technologies has been made. A provision has also been made to set up a National Trust for the research and development. The minerals of the country are found in tribal area, so its royalties must be spent on tribal people. This is an important Bill in view of people's participation.

SHRI PAVAN KUMAR VARMA: A very fundamental point was raised whether the new Bill divests the States of their authority over mines and minerals. Without consulting the States, if a Bill is drafted, it would become the subject of sterile litigation between the Centre and the States. I feel that we have not given the Bill adequate consideration.

SHRI DEREK O'BRIEN: In my view, there are several specific points in this Bill which must be looked into. Local community should be made partners of development. The tribal people must be included. The States have been empowered to set up special courts for quick settlement of mining disputes. We welcome the concept of e-auctions. It is a transparent process. There is no regulatory mechanism for mining as yet. Most of the mines are not environment friendly. This issue must be included in the Bill. We are supporting this Bill.

SHRI A. NAVANEETHAKRISHNAN: I rise to support the Bill. I also welcome the constitution of special courts. With regard to the powers of the special courts, I request the Central Government to look into this issue and do the needful.

SHRI RAJARAM: This Bill should have been brought much before. Through this Bill the Government can have a check over Mafias. The condition of mining labours is pathetic. They must be given facilities at par with the central government employees. The specification of the National Mining Exploration Trust are not very clear in the Bill. In this Trust, there must be a proportionate reservation for reserved category people. A reservation policy for SCs, STs and OBCs also be implemented in auction lease.

SHRI TAPAN KUMAR SEN: The manner in which haste is being shown is not good while the Ordinance is already there. This Bill relates to the new block that would go for auction. For that matter, no serious study has been taken place even in the Select Committee. This Bill has taken away the rights of the States. The mines are the property of the States. But, even the State doesn't have the right to auction on its own without concurrence from the Central Government. How the States will get the money as they do not have any right even to put it on auction. I have lifted a clause from a MMDR Bill, 2011 and put it here as my amendment. Why should you not agree to that. The people who have the right of traditional occupation on the land on which the mine is situated also must be compensated. You have abnormally increased the period of lease, from 30 years to 50 years. It should come down to thirty years.

SHRI DILIP KUMAR TIRKEY: Mining sector creates jobs and revenues in Odisha and in the country. The BJD Government of Odisha has always believed in transparent auction process for the mining sector. The Government should not exercise the powers of the decision-making authority of the State Government. We have been recommending a tax on these super normal profits. We welcome this new Bill. It is a signal of a shift towards a more transparent system. I do hope that suitable amendments are brought to address our concerns.

SHRI K.T.S. TULSI: In the present Bill, there are several clauses which practically reduce the rights of the States. The Central Government has virtually robbed them of the mineral wealth which under the Constitution was vested in them. I want to caution the

Government that this Bill may be declared un-constitutional by the Supreme Court.

SHRI SANJIV KUMAR: In Jharkhand, tribals are in bad condition. People are being displaced and not getting any compensation or reservation in jobs. Here pollution, coal pilferage and illegal mining are very big problems. The target for compulsory afforestation has not been achieved. Pending cases of compensation should be cleared as soon as possible.

SHRI MANI SHANKAR AIYAR: I extend my full support to the Amendment moved by Shri Rajeeve. A completely bogus argument was put forward that because the Government has consulted the States, there was no need for the Select Committee to consult the States. If only the Select Committee had been allowed of consulting with the owners of minerals then this report would never have come in this form. This should be sent to the Select Committee and the standing Committee.

SHRI D. RAJA: The power of the State to undertake mining operations cannot be taken over entirely by the Central Government and there is a need to consult the State Governments. The present Bill tantamounts to trudging upon States' powers. So, we oppose this Bill. I support the amendment moved by Shri Rajeeve.

SHRI SHANTARAM NAIK: Goa has suffered the worst because mining industry has been closed down for the last three years. There is conflict between State Government and Central Government. No public notice was given to call stakeholders. State Governments and worker's representatives were not called. Things like scientific technology research, areas to be reserved and provision for small co-operative bodies have not been included in this Bill.

SHRI RAVI PRAKASH VERMA: The Finance Minister has given a concept that there will be an open auction and States will get ownership rights. It will be very beneficial for States. Apprehensions have been expressed that rights of States can be encroached upon. I hope it will not happen. The displaced tribals will be given *bona fide* claims.

PROF. M.V. RAJEEV GOWDA: Provisions against illegal mining in this Bill are very weak and toothless. They need to be strengthened. It is proposed to increase mining period from 30 years to 50 years. You should make it 30 years. This whole hurried manner in which this Bill is proposed to be passed leave a very dark cloud of suspicion.

SHRI ISHWARLAL SHANKARLAL JAIN: I support this Bill. We wish to make certain suggestions. There is discrimination between captive miners and non-captive miners. Please consider that. Higher limit royalty for the District Mineral Foundation has been mentioned but lower limit has not been mentioned. That should be mentioned.

SHRI P. RAJEEVE: State Governments are the owners of the mines and minerals. I request all the Members to consider the fact that any Bill dealing with any subject, which is under the State List, the State Governments should have been consulted by the Select Committee. In this case it has not done. State Governments should get their share. The Bill should address the concerns of the State Government, the owners of the mines and minerals. The Bill should address the issues of the tribal community, trade union and the labour movement.

THE MINISTER OF MINES AND THE MINISTER OF STEEL (SHRI NARENDRA SINGH TOMAR), replying to the debate, said: Extensive discussions have taken place on this Amendment Bill. This Bill has been brought forward by the Select Committee after much deliberation. I request to pass Bill.

The motion for consideration of the Bill was adopted.

Clauses etc. were adopted.

The Bill was passed.

The Coal Mines (Special Provisions) Bill, 2015

THE MINISTER OF STATE OF THE MINISTRY OF POWER, THE MINISTER OF STATE OF THE MINISTRY OF COAL AND THE MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY (SHRI PIYUSH GOYAL), moving the motion for consideration of the Bill, said: I believe there is scope for constructive criticism. I assure that feelings of all the people will be respected. This is the aim of our Government that the allocation of natural resources of the country would be done in a transparent and honest manner by way of auction. To make this auction better, we would respect the suggestions of all of you. We are able to bring the system to decrease the prices of electricity through this Bill. I appeal to all the Members that this legislation was necessary and auction was not possible without this. All the relevant rules will be followed. We would make special provisions for workers in this Bill. If we allow the commercial mining in some of the mines, then it will give rise to competition. After meeting everybody's need if it is done in little quantity then it would be in the national interest. The prior clearance of environment and forest cannot be taken because availability of land is necessary for this. It has been declared as national mineral so that the mines of coal can serve the people in the perspective of whole nation. The State Governments have fully agreed in this.

SHRI P. RAJEEVE: I move the following Amendment:

"That the Bill to provide for allocation of coal mines and vesting of the right, title and interest in and over the land and mine infrastructure together with mining leases to successful bidders and allottees with a view to ensure continuity in coal mining operations and production of coal, and for promoting optimum utilization of coal resources consistent with the requirement of the country in national interest and for matters connected therewith or incidental thereto, as reported by the Select Committee of the Rajya Sabha, be recommitted to the same Select Committee for further consideration, with instructions to report to the Rajya Sabha by the last day of the first week of the next Session."

SHRI DIGVIJAYA SINGH: If you wished to do auction under MMRD Act, you could have done. When MMRD Act was enacted there was no order of Supreme Court and it was necessary to bring some change to follow the orders of Supreme Court. But we have the objections on the right of jurisdiction. They had accepted that the natural resources of the country are the property of the states but in the national interest we have the right to intervene in those rights. Your right is being taken away by this legislation. You are taking away the right of legislative assemblies and the Governments of every State through this legislation. They can abolish the mining lease without the consent of the States. You are abolishing the rights of the States through the House of States. It should be thought over again. You have not called the Ministry of Labour and trade unions in the Select Committee, you have not taken care of the labourers. You are against the labourers. Whether it is a labour-friendly Bill? If the bidder is given the right to sell coal in the open market, then there should be a provision of a regulator to ensure protection of the the interests of household consumers as they have to purchase coal in black market. Interests of brick kiln industries and glass manufacturing industries should also be protected. Interests of tribals have been ignored. Forest and environment clearance should have been obtained before auction. I will not support this Bill as it is against the interests of states, labour class, tribals and consumers.

SHRI ANIL MADHAV DAVE: Representatives from the state West Bengal, Maharashtra and Odisha participated in the discussion and expressed their views on the provisions of the said Bill. All the hon'ble members were unanimous in expressing that interests of labour class should be utmost while paying compensation to the prior owners of the mine. Rules and Provisions would be framed in future to protect the interests of household consumers to help them in purchasing coal at subsidized rates. District Mineral Foundation would be constituted to benefit owners of mines.

SHRI NARESH AGRAWAL: I support this Bill. It should be clearly mentioned in the rules that labours will be compensated first thereafter liability should be fixed. NOC should be obtained prior to auction of coal blocks as it would fetch more

profit. Provisions should be made regarding allotment of coal mines to brick kiln, glass industries, medium and small industries, because they have to buy coal in black. How will the interests of tribals be protected? Certain percentage of amount should be fixed as to the manner it will be spent by states while allocating it to them.

SHRI SHARAD YADAV: There has been no shortage of coal because of Coal India Limited. There are reserves of coal in Tribal areas of the country. Condition of competition in our country is like a show off. R.T.I. has now become ineffective. Provision with regard to 'end use' will ruin Coal India as its usage is not clear. Ash emitted from coking coal affects a vast area. Import of coal will go on unhindered despite auctioning of coal blocks. Tribals should be given cash instead of worrying about development of tribal areas of the country and there should be provisions regarding interest of tribals. This Bill has many loopholes.

SHRI SUKHENDU SEKHAR ROY: Certain portions of additional levy should go to coal producing states also. Some provisions should be made in the rules so that land for afforestation and rehabilitation of persons affected by mining operations are not hampered. This land should not be used for any other purposes. Suspending statutory powers of State Government for indefinite period is like encroaching upon their rights. Proper consultations should be made with the State Governments prior to suspension or termination of prospecting licence of mining lease. Some reasonable restrictions should be made on the part of foreign entity. Views of State Governments should be taken prior to allocation.

DR. R. LAKSHMANAN: I rise to support this Bill. It is assured in the Bill that the allocation of the coal blocks will be absolutely transparent and the money collected by the auction will go to the States which have the coal blocks. This Bill promises to nation that the labourers will be protected by many existing labour laws of the country. The Bill also promises that local population will be adequately taken care of. It is because of these promises that I support this Bill.

SHRI NARENDRA KUMAR KASHYAP: There are 204 mines about which this Bill has been introduced. By auctioning these 204 mines, Government is hopeful of earning approximately 20 lakh crores of rupees. I understand this Bill as a very important one and I am not here to oppose it. I want that Hon'ble Minister may kindly clarify this point before the House that since all these mines are situated in tribal areas and you are talking about their development also, what amount out of this earning Government is going to spend for the welfare of scheduled tribes. This thing must also be kept in mind that lakhs of manpower working with these allottees will be rendered jobless after re-allotment of mines. Provisions should also be made as to how Government will safeguard their interests. Care has to be taken of the interests of those states also where these mines are situated. Government should give a clarification in this regard also.

SHRI TAPAN KUMAR SEN: We oppose the Bill because Government is altering the basic structure of the 1973 Coal Mines Nationalisation Act. After a long experience of private mining, the coal mining sector was nationalized, and, thereafter, the coal production in the country got more than quadruplet and coal conservation improved. Coal mines' accident situation has considerably improved and the workers' lot has also improved a lot. So, Government is trying to reverse this in this Bill. Out of 240 coal blocks allotted to the private sector, only 40 could be made operational. This clearly exposes the mining competence of the private sector. I strongly oppose this Bill and I stick to my amendments.

SHRI ANUBHAV MOHANTY: I, on behalf of my Party and the entire State of Odisha, welcome the system of allocation of coal blocks for auction as provided in this Ordinance, as we believe that this is a completely transparent way. The Government has already clarified that all the labour laws applicable in other sectors will also be applicable to this sector. Therefore, there is no need for the constitution of any new provision. Further, I would like to mention that these coal bearing areas are mostly backward places, forested or tribal areas. So, the huge revenue which we are going to generate out

of this auction should be used in the development of our brothers and sisters living in these areas.

SHRIMATI GUNDU SUDHARANI: I rise to support the Bill. Coal miners are low-paid workers. They are demanding to exempt their income from the Income-Tax. I request the Government to accept this demand.

SHRI SANJIV KUMAR: I support this Bill. Displacement is a major problem in Jharkhand. 14 percent population of the state has been displaced. Government should address this problem. Pollution from mining is another problem. People are getting sick as a result of mining. Therefore, Government should make the Central Hospital of Dhanbad more sophisticated. Moreover, People getting jobs against their lands are being harassed. This harassment should also be stopped.

SHRI TIRUCHI SIVA: No one is against the auctioning of coal mines. The Select Committee, which had to hear so many stakeholders, has not done so. The rights of the States should not be encroached in any manner. The labourers have not been taken into consideration; their welfare has been ignored.

SHRI RAJEEV SHUKLA: The complaints regarding cartelization are being received even today. The Minister should give a reply in this regard in the House. There is a provision of joint venture in this. Whether he would take any precaution to see that any kind of scam does not occur in joint ventures. There should be a 15 per cent coal reservation for small industries in Coal India. Many mines would not become operational due to end user formula. There is a need to double the production of Coal India Limited so that the people can get coal.

SHRI SATISH CHANDRA MISRA: Unless you define the tribal area, you will not be able to give them benefit. You are giving one-third of royalty to the district committee. But instead of making it 'not exceeding', you should have kept it 'less than'.

SHRI BHUPINDER SINGH: We have not withdrawn our amendments under any pressure but we have tried to put the interests of our States through democratic process.

THE MINISTER OF STATE OF THE MINISTRY OF POWER, THE MINISTER OF STATE OF THE MINISTRY OF COAL AND THE MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY (SHRI PIYUSH GOYAL), replying to the debate, said: I welcome all the suggestions made by the Hon'ble members. Necessary provisions will be made in the rules regarding labour rights. The rights of the States will also be taken care of. All necessary steps would be taken with regard to environment. The interests of small industries would be taken care of. A district mineral foundation would be constituted which will pay special attention on tribals. Any private company cannot have more than 26 per cent in joint venture. The rights of the States would not be suspended indefinitely. With regard to end user, the performance of Coal India would improve due to competition. Only Indian companies are allowed in coal mining. A cancer hospital would be opened in each coal producing State in the next three-four years.

The motion for consideration of the Bill was adopted.

Clauses etc. were adopted.

The Bill was passed.

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SHUMSHER K. SHERIFF,
Secretary-General.

rssynop@sansad.nic.in

******Supplement covering rest of the proceedings is being issued separately.**