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Amendments proposed to the Andhra Pradesh Reorganisation *Bill*, 2013

1. Special Category status to the Rayalaseema region with Central Government Grants and additional measures & &

Autonomous Regional Council for North Coastal Andhra region with adequate support

| Original clause in the <i>AP</i> | Section 4 |
|----------------------------------|---|
| Reorganisation Bill, 2013 | On and from the appointed day, the State of Andhra Pradesh shall comprise the territories of the existing State of Andhra Pradesh other than those specified in section 3. |
| | On and from the appointed day, the State of Andhra Pradesh shall comprise the territories of the existing State of Andhra Pradesh other than those specified in section 3. |
| | Provided that the four territories of the existing State of Andhra Pradesh namely:- |
| | Revenue districts of Kurnool, Anantapur, YSR and Chittoor |
| Amendment Required* | Shall be designated as the RAYALASEEMA SPECIAL CATEGORY REGION and shall be accorded such status, benefits and incentives including but not limited to budgetary revenue deficit support, other grants and supports from the Central Government and incentives for creation of industries, employment and revenues, as provided for in Section 46(2) and Section 94(1) of this Act. |
| | Provided further that there shall be constituted a NORTH COASTAL ANDHRA AUTONOMOUS REGIONAL COUNCIL comprising the three territories of the existing State of Andhra Pradesh namely:- |
| | Revenue districts of Srikakulam, Vizianagaram and Visakhapatnam excluding the Greater Visakhapatnam Municipal Corporation area |

and shall be given such autonomous status, benefits and incentives, including but not limited to support, resources, other grants from the Central Government and incentives for creation of industries, employment and revenues as provided for in Section 46(2) and Section 94(2) of this Act, so as to ensure fairness, equity, regional balance and harmonious economic development.

The revenue districts comprising Rayalaseema region are characterized by poor natural endowments, such as the lowest annual average rainfall and lowest agricultural productivity of the three regions (Rayalaseema, Telangana and Coastal Andhra). Further, the region ranks lowest in human development indicators such as education and health and is the most disadvantaged in respect of infrastructure and economic standards. Considering this socio-economic backwardness, there is a felt need for designating these districts as the Rayalaseema Special Category Region, towards enabling access to benefits and incentives from the Central Government.

Reasons

Similarly, the revenue districts of Srikakulam, Vizianagaram and Visakhapatnam (excluding the Greater Visakhapatnam Municipal Corporation area) comprising the North Coastal Andhra region too are poorly endowed with natural resources, ranked poorly on human development indicators and are backward with respect to infrastructure, institutional capacity and economic standards. Hence, there is a need for creating financially strengthened and genuinely empowered 'NORTH COASTAL ANDHRA AUTONOMOUS REGIONAL COUNCIL' with guaranteed access to Central Government's benefits, support and other incentives coupled with the necessary autonomy, so as to enable speedy socioeconomic development for the region and ensure fairness, equity, regional balance and harmonious development.

^{*}If necessary, appropriate provision may be incorporated in Article 371 of the Constitution providing for Rayalaseema Special Category Region, and North Coastal Andhra Autonomous Regional Council.

| Clause No. | Section 46 (2) |
|------------------------|---|
| (With Original Clause) | Notwithstanding anything in sub-section (1), the Central Government may, having regard to the resources available to the successor State of Andhra Pradesh, make appropriate grants to that State. |
| | Notwithstanding anything in sub-section (1), the Central Government may, having regard to the resources available to the successor State of Andhra Pradesh, make appropriate grants to that State. |
| | Provided that it shall be the responsibility of the Central Government to fund non-plan revenue grants, including but not limited to revenue |
| Amendment Proposed | deficit grants, and plan revenue grants, including but not limited to grants for centrally sponsored schemes, central sector schemes and state sector schemes, to the RAYALASEEMA SPECIAL CATEGORY REGION, on par with Special Category States of Arunachal Pradesh, Assam, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand. |
| | Nothing in this Act prevents the government from making similar arrangements for the NORTH COASTAL ANDHRA AUTONOMOUS REGIONAL COUNCIL area. |
| Reasons | In the Financial Year 2012-2013, the Revenue Deficit of Rayalaseema was Rs. 7005 crores, which is the highest among the three regions (Rayalaseema, Telangana and Coastal Andhra). For the same period, Hyderabad alone enjoyed a Revenue Surplus of Rs. 12854 crores. Such surplus may not be deployed to Rayalaseema after bifurcation. Further, various socio-economic indicators suggest that Rayalaseema's backwardness is comparable to that of Special Category States (Arunachal Pradesh, Assam, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand). Therefore, it is imperative for the Central Government to provide special budgetary support, benefits and assistance for the development of the Rayalaseema Special Category Region on par with those provided to such special category states. In order to address the backwardness of North Coastal Andhra region, appropriate arrangements on similar lines may be made by the government to this region. |

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2. Setting up Ramayapatnam major port in addition to Duggirajupatnam port to meet the infrastructural needs of Krishna delta region

| | THIRTEENTH SCHEDULE – INFRASTRUCTURE, Item 1 |
|----------------|--|
| Clause No. | Infrastructure |
| (With Original | 1. The Government of India shall develop a new major port at |
| Clause) | Duggirajupatnam in the successor State of Andhra Pradesh to be |
| | completed in phases with Phase I by end-2018. |
| | Infrastructure |
| | 1. The Government of India shall develop a new major port at |
| Amendment | Ramayapatnam in addition to Duggirajupatnam port in the |
| Proposed | successor State of Andhra Pradesh to be completed within five years |
| | from the date of enactment of the Andhra Pradesh Reorganisation |
| | Act, 2013. |
| | Ramayapatnam has a huge hinterland available, is closer to |
| | Chennai-Kolkata rail and road connectivity. Also, the existing State |
| | of Andhra Pradesh has recommended Ramayapatnam as a suitable |
| Doorons | location for setting up a major port. Together Duggirajupatnam port |
| Reasons | and Ramayapatnam port would serve the infrastructural needs of |
| | Prakasam, Guntur and Krishna districts. Thus facilitating the |
| | economic development of the Krishna delta region and its |
| | surrounding areas. |

3. Designating Polavaram as National Multipurpose project & Submergence Areas under it to successor AP State

| | Section 90 |
|-----------------------------------|--|
| Clause No. (With Original Clause) | (1) The Polavaram Irrigation Project is hereby declared to be a national project. (2) It is hereby declared that it is expedient in the public interest that the Union should take under its control the regulation and development of the Polavaram Irrigation Project for the purposes of irrigation. (3) The Central Government shall execute the project in consultation with the Governments of the two successor States following all environmental, forests, and rehabilitation and resettlement norms. |
| Amendment Proposed | (1) The Polavaram Irrigation Project is hereby declared to be a national Multipurpose project and the Central Government shall fully fund the project from the Consolidated Fund of India. (2) Consent for the Polavaram Multipurpose Project is deemed to have been given by the successor State of Telangana. (3) The areas of the existing State of Andhra Pradesh subjected to submergence under the Polavaram Multipurpose Project should be included in the successor State of Andhra Pradesh. (4) The Central Government shall obtain all requisite clearances including environmental, forests, and rehabilitation and resettlement clearances. (5) The Central Government shall ensure completion of the Polavaram Multipurpose Project within a period of three years from the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. |
| Reasons | Polavaram project must be designated as a multipurpose national project, as it is primarily intended for the integrated and effective utilization of water resources in the existing State of Andhra Pradesh for irrigation, power generation and water supply for industrial and drinking purposes. |

The project diverts the unutilized waters of Godavari to Krishna basin, and thus saves 80TMC of water in the much-harnessed Krishna river basin. These waters can be utilized upstream of Nagarjuna Sagar Dam for the benefit of Telangana and Rayalaseema areas, as well as the upper riparian states of Karnataka and Maharashtra.

Moreover, a major portion of this project has already been completed, with substantial expenditure and a significant escalation of the cost of construction of the Project is estimated.

The mandate of obtaining all requisite clearances, including those with respect to Odisha and Chhattisgarh must be placed on the Central Government and consent of Telangana for the project must be deemed to have been given in order to avoid future disputes. In order to further serve the objective, those areas of the existing State of Andhra Pradesh that would be subjected to submergence due to the Polavaram Multipurpose Project should be included in the successor State of Andhra Pradesh.

Therefore, special efforts of the Central Government are needed to ensure expeditious completion of the project.

Section 3

On and from the appointed day, there shall be formed a new State to be known as the State of Telangana comprising the following territories of the existing State of Andhra Pradesh, namely:-

Clause No. (With Original Clause)

Adilabad, Karimnagar, Medak, Nizamabad, Warangal, Rangareddi, Nalgonda, Mahbubnagar, Khammam and Hyderabad districts,

and thereupon the said territories shall cease to form part of the existing State of Andhra Pradesh.

| Amendment Proposed | On and from the appointed day, there shall be formed a new State to be known as the State of Telangana comprising the following territories of the existing State of Andhra Pradesh, namely:- Adilabad, Karimnagar, Medak, Nizamabad, Warangal, Rangareddi, Nalgonda, Mahbubnagar, Khammam and Hyderabad districts, excluding the areas of submergence in the existing State of Andhra Pradesh under the Polavaram Multipurpose Project and thereupon the said territories shall cease to form part of the existing State of Andhra Pradesh |
|-----------------------|---|
| Reasons | In order to ensure that the submerged areas under the Polavaram Multipurpose Project, which would be included in the successor State of Andhra Pradesh, are excluded from the successor State of Telangana. |

4. Deemed approval of successor States for ongoing Krishna surplus Water projects

| Clause No. | Insertion of a new <i>Clause84(4)</i> under section 84 |
|-----------------------|---|
| (to be inserted) | after clause 84(3) of Part IX |
| Amendment Proposed | (4) Notwithstanding any other provision in this Act or any other act, all on-going Krishna River surplus water-based projects and projects involving inter basin transfer in Telangana and Rayalaseema regions of the existing State of Andhra Pradesh are deemed to have been approved by the successor States of Telangana and Andhra Pradesh. |
| Reasons | In order to ensure that all the on-going surplus water based projects on the Krishna River serve the needs of Telangana and Rayalaseema regions of the existing State of Andhra Pradesh, are completed in time and not stalled on account of any objections from the successor States, the deemed approval of the successor States is provided for in this amendment. |

5. Constitutional Framework for Transfer of Law and order functions to Governor in the common capital area &

Protection of interests of people of origin from outside the state

| | Section 8 |
|---|---|
| Clause No. (With Original Clause) | (1) On and from the appointed day, for the purposes of administration of the common capital area, the Governor shall have special responsibility for the security of life, liberty and property of all those who reside in such area. (2) In particular, the responsibility of the Governor shall extend to matters such as law and order, internal security and security of vital installations, and management and allocation of Government buildings in the common capital area. (3) In discharge of the functions, the Governor shall, after consulting the Council of Ministers of the State of Telangana, exercise his individual judgment as to the action to be taken: Provided that if any question arises whether any matter is or is not a matter as respects which the Governor is under this sub-section required to act in the exercise of his individual judgment, the decision of the Governor in his discretion shall be final, and the validity of anything done by the Governor shall not be called in question on the ground that he ought or ought not to have acted in the exercise of his individual judgment: (4) The Governor shall be assisted by two advisors to be appointed by the Central Government. |
| Amendment Proposed (including Amendment to the Constitution of India) | Before enactment of Section 8, the Constitution (121st Amendment) Bill, 2014 must be introduced in the Parliament with the following provisions: An Act further to amend the Constitution of India. Be it enacted by the Parliament in the Sixty-fifth Year of the Republic of India as follows:- 1. This Act may be called the Constitution (One Hundred and Twenty First Amendment) Act, 2014 |

2. After Article 371J of the Constitution, the following Article shall be inserted, namely –

"371K. Special Provisions with respect to the common capital area for the States of Andhra Pradesh and Telangana.

Notwithstanding anything in this Constitution,

- (1) The Parliament may by law provide for a common capital area for the State of Andhra Pradesh and the State of Telangana for a period as may be specified by the law.
- (2) For the purposes of administration of the common capital area, as specified by the law under sub-section (1), the Governor for both the successor states of Andhra Pradesh and Telangana shall have special responsibility for the security of life, liberty and property of all those who reside in such area.
- (3) Notwithstanding anything in sub-sections (1) and (2), the Governor for both the successor states of Andhra Pradesh and Telangana shall have such other functions as may be transferred by the President of India from time to time, for the harmonious and equitable governance in the common capital area of Hyderabad, during the period for which it remains the common capital."

Section 8 of the Andhra Pradesh Reorganization Bill, 2013 must be accordingly amended to read:

To give effect to the provisions of Article 371K of the Constitution of India,

(1) On and from the appointed day, the responsibility of the Governor for both the successor states of Andhra Pradesh and Telangana of Andhra Pradesh shall extend to matters such as law and order, internal security and security of vital installations, and management and allocation of Government buildings in the common capital area of Hyderabad, and such other functions as may be transferred by the President from time to time, as specified in Article 371K of the Constitution of India.

(2) In discharge of the functions, the Governor for both the successor states of Andhra Pradesh and Telangana shall, after consulting the Council of Ministers of the State of Telangana, exercise his individual judgment as to the action to be taken:

Provided that if any question arises whether any matter is or is not a matter as respects which the Governor for both the successor states of Andhra Pradesh and Telangana is under this sub-section required to act in the exercise of his individual judgment, the decision of the Governor for both the successor states of Andhra Pradesh and Telangana in his discretion shall be final, and the validity of anything done by the Governor for both the successor states of Andhra Pradesh and Telangana shall not be called in question on the ground that he ought or ought not to have acted in the exercise of his individual judgment:

(3) The Governor for both the successor states of Andhra Pradesh and Telangana shall be assisted by two advisors to be appointed by the Central Government.

Reasons

Public order is listed as Item – I of List II in the Seventh Schedule to the Constitution of India. Public order is thus a State subject, and the State Legislature has exclusive power to make laws with respect to public order. Transfer of functions with respect to law and order to the Governor by the Parliament, as sought to be done through the original text of Section 8 cannot be done without an amendment to the Constitution. Similar transfer of special responsibility to the Governor of Arunachal Pradesh has been done in the past by way of the Constitution (55th Amendment) Act, 1986. Thus, a Constitutional Amendment is necessitated here, as well.

| Part No. | Insertion of a new Part IIA with a new Section 10A |
|------------------|--|
| (to be inserted) | after Section 10 of Part II |
| | PART IIA |
| | PROTECTION OF INTERESTS OF CITIZENS OF ORIGIN FROM |
| | OUTSIDE THE STATE |
| Amendment | 10A. Any section of the citizens residing in either of the successor |
| Proposed | States of Andhra Pradesh or Telangana being of origin from |
| | outside that State shall be considered as a minority for the |
| | purposes of Article 29 of the Constitution of India and shall enjoy |
| | the protection of interests of minorities guaranteed therein. |
| | After the creation of new states, a perceived sense of loss, |
| | insecurity and fear may arise among people of origin from Andhra |
| | Pradesh residing in Telangana and also similar perceived sense of |
| | insecurity among people of origin from Telangana residing in |
| _ | Andhra Pradesh. By the inclusion of this provision, protection of |
| Reasons | such minorities' interests, rooted in the Constitutionally |
| | guaranteed Fundamental Rights is ensured and any perceived or |
| | apprehended insecurities can be addressed comprehensively. Thus, |
| | unity in diversity can be fostered, social harmony can be promoted |
| | and the prosperity of Telugu speaking people can be shared even |
| | after the bifurcation of the existing State. |

6. Guaranteeing the development of Infrastructure projects and Educational Institutions in a time-bound manner by incurring expenditure from the Consolidated Fund of India

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| | | THIRTEENTH SCHEDULE – EDUCATION |
|------------|-------|---|
| | | Education |
| | | 1. The Government of India shall take steps to establish institutions |
| Clause No. | | of national importance in the 12th and 13th Plan periods in the |
| (With Orig | ginal | successor state of Andhra Pradesh. This would include one IIT, one |
| Clause) | | NIT, one IIM, one IISER, one Central University, one Agricultural |
| | | University and one IIIT. |
| | | 2. The Government of India shall establish one AIIMS-type Super- |
| | | Specialty Hospital-cum-Teaching Institution in the successor State |

| | of Andhra Pradesh. |
|-----------|--|
| | 3. The Government of India shall establish a Tribal university each in |
| | the State of Andhra Pradesh and in the State of Telangana. |
| | 4. A Horticulture university shall be established in the successor State |
| | of Telangana. |
| | |
| | Education |
| | 1. The Government of India <i>shall establish</i> institutions of national |
| | importance within five years from the date of enactment of the |
| | Andhra Pradesh Reorganisation Act, 2013 in the successor state of |
| | Andhra Pradesh. This would include one IIT, one NIT, one IIM, one |
| | IISER, one Central University, one Agricultural University and one |
| | IIIT. |
| | 2. The Government of India shall establish one AIIMS-type Super- |
| Amendment | Specialty Hospital-cum-Teaching Institution within five years from |
| Proposed | the date of enactment of the Andhra Pradesh Reorganisation Act, |
| | 2013 in the successor State of Andhra Pradesh, |
| | 3. The Government of India shall establish a Tribal university <i>within</i> |
| | five years from the date of enactment of the Andhra Pradesh |
| | Reorganisation Act, 2013 in the State of Andhra Pradesh and in |
| | the State of Telangana. |
| | 4. A Horticulture university shall be established within five years |
| | from the date of enactment of the Andhra Pradesh |
| | Reorganisation Act, 2013 in the successor State of Telangana. |
| | In order to ensure that the education projects listed above are |
| Reasons | established in a time-bound manner, a firm commitment by the |
| | Government as to the same is required. |

| Clause No. | Insertion of a new Section 67A after Section 67 of |
|------------------|--|
| (to be inserted) | Part VI |
| | All expenses incurred |
| | in the establishment of infrastructure projects as enumerated in the |
| | Thirteenth Schedule, |
| Amendment | for the completion of the Polavaram Irrigation Project as specified in |
| Proposed | Section 90, |
| | in furtherance of benefits to the RAYALSEEMA SPECIAL CATEGORY |
| | REGION as provided for in Sections 46(2) and 94(1) |
| | shall be charged from the Consolidated Fund of India. |

| Reasons | In order to avoid the extra burden that may be incurred by the |
|---------|--|
| | successor states of Andhra Pradesh and Telangana, the expenses |
| | mentioned above must be funded by the Central Government from |
| | the Consolidated Fund of India. |

| | THIRTEENTH SCHEDULE – INFRASTRUCTURE, |
|---|--|
| | Items 2 – 10 |
| Clause No. (With Original Clause) | Infrastructure SAIL shall examine the feasibility of establishing an integrated steel plant in Khammam district of the successor State of Telangana. IOC or HPCL shall examine the feasibility of establishing a greenfield crude oil refinery and petrochemical complex in the successor State of Andhra Pradesh. The Government of India shall examine the feasibility of establishing a Vizag-Chennai industrial corridor along the lines of Delhi-Mumbai Industrial Corridor. The Government of India shall examine the feasibility of expanding the existing Visakhapatnam, Vijayawada and Tirupati airports. NTPC shall examine the feasibility of establishing a 4000 MW power facility in the successor State of Telangana. Indian Railways shall examine establishing a new railway zone in the successor State of Andhra Pradesh. NHAI shall take necessary steps to improve road connectivity in the backward regions of the successor State of Telangana. The Indian Railways shall examine the feasibility of establishing a Rail Coach Factory in the successor State of Telangana and improve rail connectivity in the State. The Central Government shall consider measures to establish rapid rail and road connectivity from the new capital of the successor State of Andhra Pradesh to Hyderabad. |
| Amendment Proposed | Infrastructure SAIL shall examine the feasibility and establish an integrated steel plant in Khammam district of the successor State of Telangana within five years from the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. IOC or HPCL shall examine the feasibility and establish a greenfield crude oil refinery and petrochemical complex in the |

successor State of Andhra Pradesh within five years from the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. 4. The Government of India *shall establish* a Vizag-Chennai industrial corridor along the lines of Delhi-Mumbai Industrial Corridor within five years from the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. 5. The Government of India *shall expand* the existing Visakhapatnam, Vijayawada and Tirupati airports within five years from the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. 6. NTPC shall shall examine the feasibility and establish a 4000 MW power facility in the successor State of Telangana within five years from the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. 7. Indian Railways *shall establish* a new railway zone in the successor State of Andhra Pradesh immediately after the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. 8. NHAI shall take necessary steps to improve road connectivity in the backward regions of the successor State of Telangana on an immediate basis after the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. 9. The Indian Railways **shall examine the feasibility and establish** a Rail Coach Factory in the successor State of Telangana and improve rail connectivity in the State within five years from the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. 10. The Central Government shall take necessary steps to establish rapid rail and road connectivity from the new capital of the successor State of Andhra Pradesh to Hyderabad on an immediate basis after the date of enactment of the Andhra Pradesh Reorganisation Act, 2013. In order to ensure that the infrastructure projects listed above are Reasons established in a time-bound manner, a firm commitment as to the same is required.