ASECAP PROPOSALS

REACHING NET ZERO CARBON MOBILITY

Tools for sustainable mobility solutions

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Table of Content

Executive Summary

Road transport is one of the sectors with the highest greenhouse gas emissions. More than ever today, there is a need to invest in the decarbonisation of transport, which will only be effective if road transport is decarbonised.

ASECAP wishes to involve the network operators' own efforts (operation, maintenance, major repairs, renewals, modernisation, and new construction) and engage more actively in supporting road traffic decarbonisation (implementation of zero-carbon energy systems; road infrastructure adaptation to new uses; deployment of an efficient alternative fuel network for both cars and HGVs, contribution to the promotion of new behaviours and road uses, in particular in peri-urban areas; creation of intermodal hubs to stimulate mass public transport on road; carpooling; carsharing, etc.).

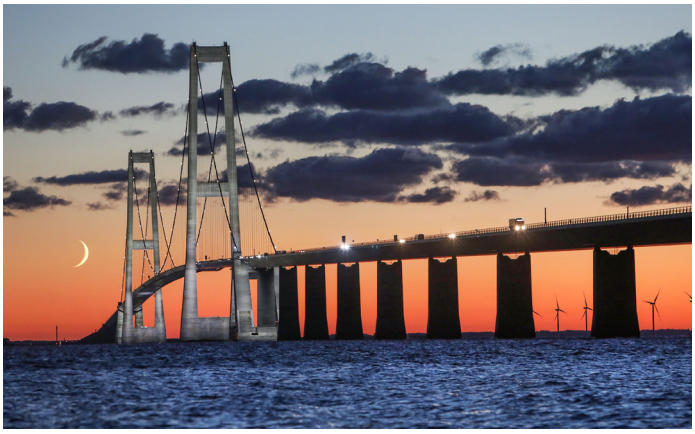
ASECAP is convinced that there will be no climate change limitation and mitigation without fast road transport decarbonisation, and that the user-pays principle is the best currently available asset to combine the financing of new investments and the internalisation of the polluter-pays principle.

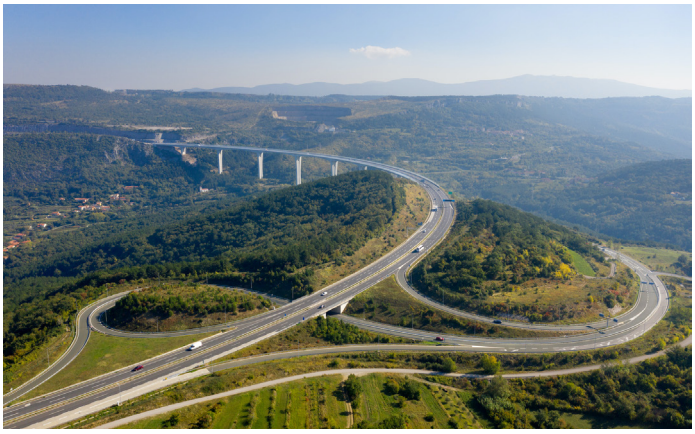
Toll roads should be seen as one of the solutions for financing the ecological transition of road transport and mobility. Indeed, tolls may finance the ecological transition by providing improved and safer infrastructure, adaptation to cleaner vehicles and internalisation of the negative externalities of road transport.

Financing better, safer and greener road transport and combating climate change will not happen without including tolls in this transition. Indeed, the toll and concession road sectors are willing to build a positive agenda and start implementing key measures to contribute to the decarbonisation of road transport. In order to green the network managed by ASECAP members, it has been assessed that the transformation of road infrastructures will require a massive investment effort, which can be estimated, for a typical section of 1 000 km, to be between €5 and €6 billion, and at the network managed by ASECAP members, between €400 and €500 billion.

The user-pays principle remains the most sustainable way to implement the polluter pays principle and thus to secure the ecological transition of road transport in line with EU Green Deal objectives.
With this virtuous financing scheme, public funds are not affected and the same applies to Member States' public budgets, public deficits, and the public funds made available to support and finance other public services.

ASECAP is convinced that the objective of greening mobility will not be achieved by a single solution and therefore suggests the measures for the future development of road toll concession systems in Europe set out below.



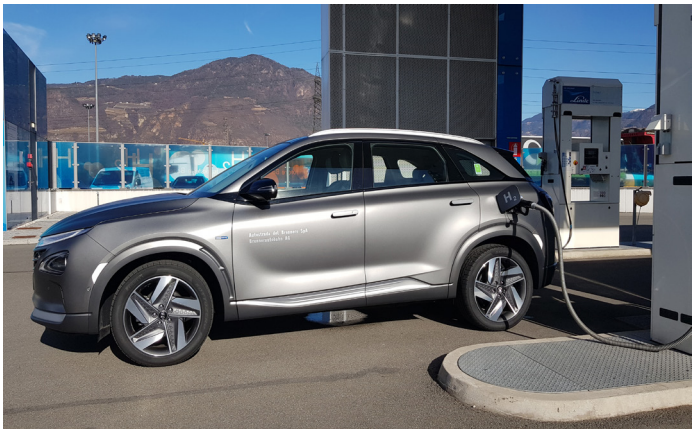


***First,* EU institutions and Member States should explicitly recognise and protect the role of the toll and concession model to finance road transport decarbonisation.** Indeed, the obligations set in respect of vehicle performance will have a slow and limited impact. Furthermore, there will be no vehicles greening without adaptation of infrastructures. Greener, just like enhanced and safer infrastructures, will have a cost, as illustrated by the Alternative Fuels Infrastructure Regulation (AFIR). Financing of less polluting modes will also require resources, and the internalisation of the respective external costs should rely on existing instruments. Any opportunity should be used to recall needs and the importance of tolls in this regard, and this should be made explicit in on-going and forthcoming EU legislative and non-legislative proposals.

Second, ASECAP is convinced that technology is still the missing piece of the sustainability strategy, meaning that it is necessary to combine the toll definition legislation with ITS/innovation ones, to ensure that **motorway is part of mobility as a service and that mobility is a decarbonised service.** Therefore, ASECAP also calls on the European institutions to **consider the potentially higher contribution of ITS to transport decarbonisation.**

Third, ASECAP calls EU institutions to **complete the Taxonomy Regulation to include road tolls and ITS**, which play a key role in the decarbonisation and sustainability of road transport. Indeed, as indicated above, motorway and tolls operators actively contribute to financing the greener use of more environmentally friendly road infrastructures, which are capable of addressing climate change but also the achievement of other objectives such as biodiversity or water protection. Therefore, investments in ITS and tolls need to be reconciled with the taxonomy and anticipated in the next objectives and updated delegated acts. For this purpose, toll road infrastructure activity should be considered eligible and aligned with the technical screening criteria, especially with those contributing substantially to climate change mitigation (6.15 Infrastructure enabling low-carbon road transport and public transport) according to the European Regulation.

Finally, **ASECAP recalls that, without prejudice to the need for tolls to be recognised, protected, and used as direct source of financing of more environmentally friendly uses of greener road infrastructures,** policymakers should take this tool into consideration to accelerate the green transition of road transport with a view to reaching the goal of carbon neutrality by 2050.



Preamble

0.1. ASECAP

The European Association of Operators of Toll Road Infrastructures ('**ASECAP**'), which unites 125 motorway concessionaire companies from 18 Member States, is committed to actively contributing to the development of sustainable road infrastructure, meaning modernised and safe infrastructures with limited impact on public budgets and directly contributing to the decarbonisation of road transport.

ASECAP members operate a network of more than 81,700 km, mostly located within the core TEN-T network, that provides critical connections by linking economic centres and connecting territories, major ports, and airports. These are essential to guaranteeing the provision of goods and services as clearly demonstrated during the critical situation of lockdown. Moreover, the road network enables the mobility of people in their daily activities of going to work, school, attending medical appointments, etc. People using their cars is a fact of life that is unlikely to change. The appeal of personal mobility has never been greater.

ASECAP's longstanding objective is to defend and develop the system of motorways and road infrastructures in Europe applying tolls, i.e. the user-pays principle as a means of ensuring the financing of their construction, maintenance and operation.

Moreover, ASECAP supports its members in producing aggregated information regarding the needs for construction, maintenance and operation of toll infrastructures. It promotes and organises study meetings on technical, administrative and financial issues aimed at providing efficient traffic management solutions and providing a high-quality road service at an appropriate cost to end users. For this purpose, it also collects technical and statistical data and participates in select projects.

ASECAP maintains relations with the relevant international organisations, European institutions and the industry's main stakeholders, representing the interests of ASECAP members as regards the deployment of a holistic cooperative transport approach.

0.2. ASECAP's role and planning in the context of a net zero carbon mobility strategy

ASECAP wishes to involve the network operators' own efforts (operation, maintenance, major repairs, renewal, modernisation, and new construction) and engage more actively in supporting road traffic decarbonisation (implementation of zero-carbon energy systems; adaptation of the road infrastructure to new uses; deploying efficient alternative fuel network for both cars and HGV; contribution to the promotion of new behaviours and uses of roads, in particular in peri-urban areas; and creation of intermodal hubs). ASECAP is indeed convinced that no climate change limitation and mitigation is possible without fast road transport decarbonisation, and that the user-pays principle is the best existing asset to combine the financing of new investments and the internalisation of the polluter-pays principle.

Therefore, the main priority for ASECAP members is road transport decarbonisation with a view to reaching carbon neutrality, and launching the transition with appropriate actions and a plan.

Toll road infrastructures are, want to and will be part of the solution.

0.3. Toll roads and infrastructures in the context of European sustainable mobility

Tolling has so far been the only solution effectively capable of making the user directly aware while ensuring that they make a contribution because the fees paid are directly identifiable and their concrete results are visible and perceptible (network maintenance, safety, etc.).

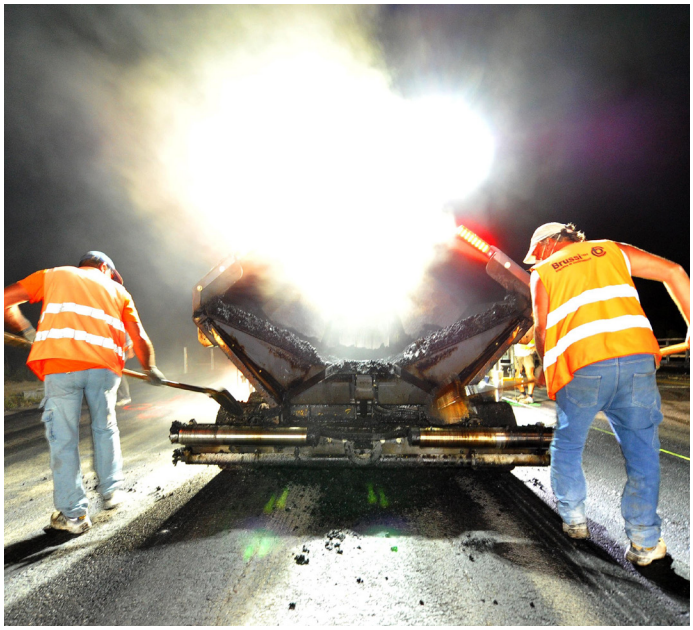
Although tolling was devised as a means of financing road construction, it quickly became clear that recourse to it was also necessary during the stage of road operation to ensure that standards are capable of meeting emerging needs in terms of safety and technology. Tolls have thus become synonymous to high quality standards of both infrastructures and service.

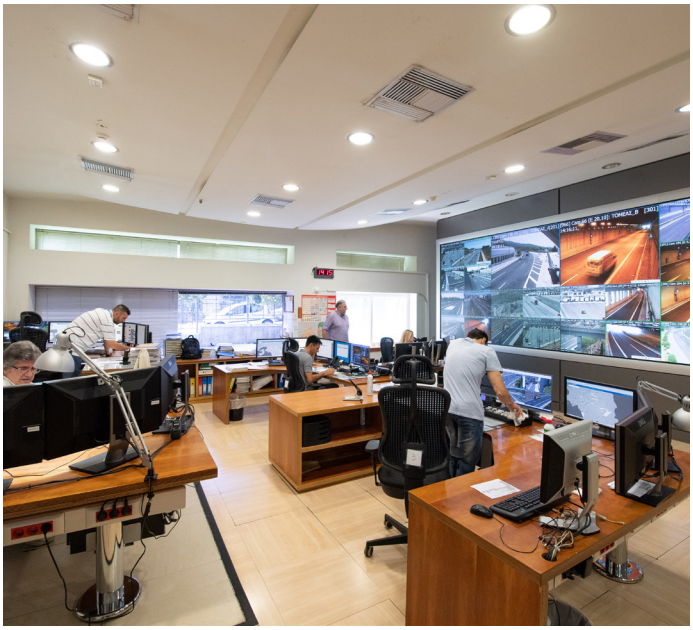
Indeed, in Europe tolls have been a testbed for innovation and cutting-edge solutions for decades. Evolving from a mere financing instrument, they have begun to make resources available which, through research and innovation, pay EU citizens back in multiple ways. Every innovative road and traffic management solution, from advanced materials to ITS, has found an ideal and welcoming testbed on toll roads.

On issues relating to environmental protection, toll roads have similarly introduced the highest level of protection — from the waste water treatment and wildlife preservation to the protection of local flora.

In doing so, toll road operators have enabled the development of a body of know-how that benefits the entire economy. Tolls have enabled the development of professionals who, because their mission is to deliver value for money to paying users and because concession contracts integrate quality standards well above toll-free road practice, always look beyond the mere operation of infrastructure. This ecosystem fosters innovation and is very often involved with high-end research professionals and universities.

Toll roads are therefore a very important subset of the general roads sector in the EU and their contribution can be a valuable multiplicator for the more global efforts towards a more sustainable future.





0.4. The Position Paper and its aims

The objective of this Position Paper is to assess the role and the future of toll roads, explain how the user-pays and polluter-pays principles will act as key instruments for ensuring the sustainable financing of decarbonised road transport, and the role to be played by the National and European institutions in preserving and supporting the user/polluter pays model for a long-term sustainable financing scheme in this area.

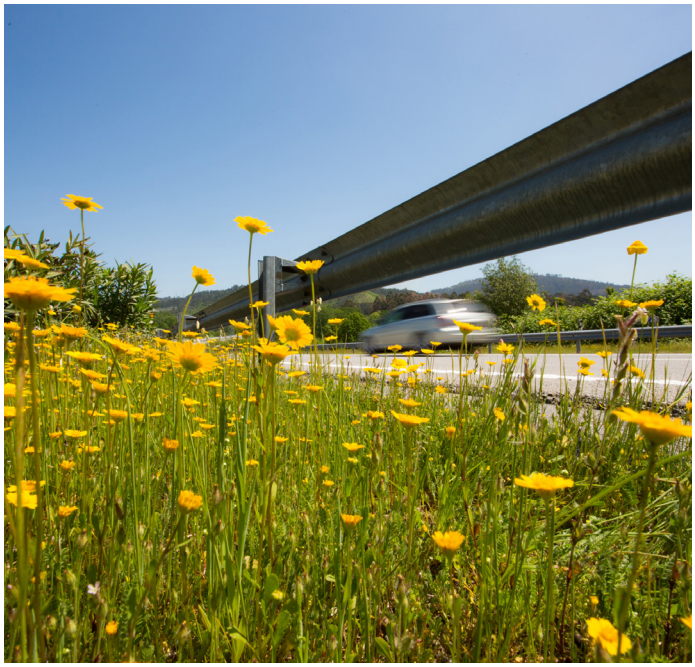
In doing so, the more general context of the road sector in Europe is presented as a reference scenario, with the Paper then outlining the legal and factual challenges faced by toll road infrastructures and operators, thus enabling an overview and an informed reflection on them. The challenges range from contributing to the decarbonisation of the quota of road transport over the next decade to maintaining safe and enhanced infrastructures, notably on the Trans-European Transport Network ('**TEN-T**') as the backbone of the European Internal market, while also contributing to smart mobility. Based on this assessment, ASECAP and its members have identified a number of recommendations that need to be implemented within a coherent policy and financial framework.

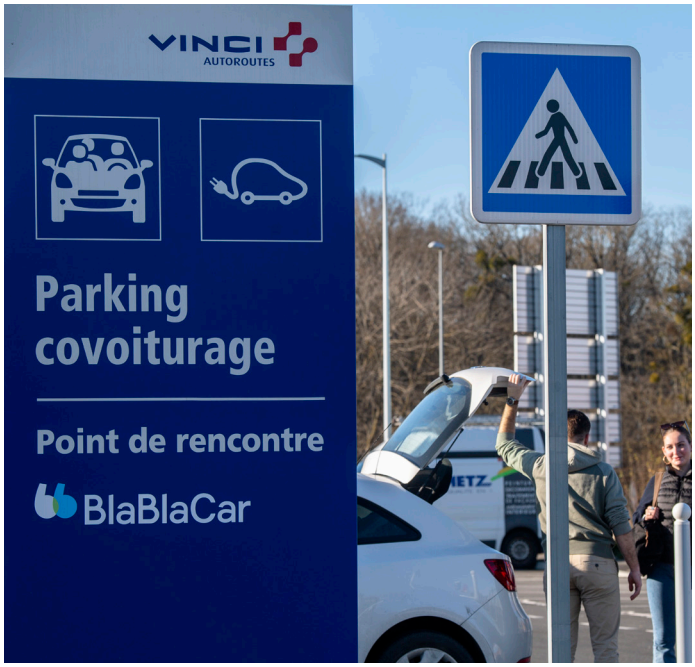
This Position Paper effectively aims at highlighting the user-pays principle and the related polluter-pays principle in the tolling context, and ensuring its promotion and adaptation to the needs of sustainable development

On this basis, ASECAP would like to engage with EU institutions and the Member States, providing its views on how to integrate sustainability considerations into its financial policy framework to mobilise finance for sustainable growth.

The Position Paper is structured as follows:

- **Section 1** recalls the economic and environmental context, the related challenges for road infrastructure, and the needs for enhanced, safer and greener road transport;
- **Section 2** explains why the toll road model is fit to mitigate these needs and underlines the regulatory measures that need to be put in place in order to ensure greener mobility and genuine impact on decarbonisation; and
- **Section 3** provides ASECAP's conclusion and main recommendations to actively contribute to the decarbonisation of road transport.





SECTION 1. Future of road transport: its role and the challenges it faces in the EU

1.1. Economic context

The current economic situation is obviously complicated and uncertain.

Traffic and costs. The successive major global crises (Covid, energy crisis, etc.) have affected the transport sector: in 2021, traffic[1] was on average more than 10 % lower than in 2019 on European toll roads (with peaks down to -20 %). Although heavy vehicle traffic came back with the 2021 recovery (+ 1,3 %), it never fully recovered from the decrease in light-duty vehicles. Indeed, regarding the latter, Covid and the subsequent increase in teleworking will have a structural impact on traffic risk[2] for existing and future concessions.

Furthermore, as of March 2022, the war in Ukraine has affected road transport in the European Union ('**EU**'): while the number of Ukrainian trucks on EU roads did not drop dramatically, traffic or toll collection have been affected in some regions or with certain type of goods, as illustrated by the Polish decision to offer circulation free of charge to refugees.[3]

Subsequently, the energy crisis and inflation also affected the private use of cars and trucks.

In a country like France, with relevant international traffic and an extensive road network intertwined with the rest of the EU, the latest data from the CNR *(Comité national routier)*[4] in 2022 shows that the full cost of heavy-duty vehicles operating in road freight transport increased by an average of 18.5 % for diesel engine vehicles and 43.3% for vehicles powered by natural gas ('**NGV**'). The cost of fuel is the main driver of this increase: the price of diesel increased by 45.7 % in 2022 compared to 2021, and the increase was 3 times higher for NGVs. According to the IRU index, transport prices were on average 20 % higher at the end of 2022, compared to 2021, leading to a contraction in demand.[5]

Finance. This 'longstanding conjunctural' situation is affecting both public and private capacity to finance long-term infrastructures. On the one hand, public finance has been exhausted by years of 'whatever it takes' policy: on average, the public deficit of EU Member States reached -4,6 % of the GDP (5,1 % Eurozone) in 2021, compared to -0,5 % in 2019 (-0,6 Eurozone)[6], after a peak at 6,7 % (7 % Eurozone) in 2020. Successive waves of legitimate emergency expenses have had a structural impact on public debt, which has risen by 10 percentage points in two years[7], with half of Member States beyond 60 % of GDP.

1 Traffic 1-9 2021/2019, ASECAP members aggregated figures.

2 Traffic risk is defined by the fact that in return for the contract entrusted to a private operator (the design, construction, financing, operation and maintenance of a motor way network or section), the latter has the right to levy a toll on users.

3 In March 2022, the Polish Ministry of Infrastructure announced that vehicles registered in Ukraine can move free of charge on toll motorways in Poland (further information is available at https://www.gov.pl/web/infrastruktura/ulatwienia-w-transporcie-w-zwiazku-z-wojna-rosyjsko-ukrainska).Toll motorways concerned by the exemption included (i) concession toll motorways managed by private companies and (ii) State roads. This exemption was abolished as from 1 June 2022, according to the announcement of the Polish Ministry of Infrastructure, further information is available at https://www.gov.pl/web/infrastruktura/zmiana-zasad-poboru-oplat-na-autostradach-w-zwiazku-z-konflik tem-na-ukrainie.
The change did not apply to vehicles carrying humanitarian aid to Ukraine. Regardless of the country of registration, such vehicles are still exempted from the payment on toll motorways in Poland, provided that they are notified in advance. The company-concessionary of Toll motorway n°2 (Autostrada A2) summed up "*The exemption from payment of toll for travelling on the A2 toll motorway section under the concession scheme for passenger cars registered in Ukraine and other cars with humanitarian aid was introduced on 1 March 2022. About 75,000 vehicles bearing Ukrainian number plates and about 4,000 vehicles with humanitarian aid were exempted from paying the toll on the A2 section between Nowy Tomyśl and Konin alone. Thus the value of not collected toll exceeded PLN 2.5 million.*" (source)

4 CNR - *Les coûts du TRM - Bilan 2022 et perspectives 2023*, 17 January 2023.

5 Further information is available at https://market-insights.upply.com/en/europe-the-rise-in-road-transport-prices-is-slowing-down.

6 Eurostat, *Euroindicateurs*, 118/2022 - 21 October 2022.

7 Ibid: 77,5% in 2019 (83,9% €zone) *versus* 87,9% (95,4 €zone) in 2021.

The year 2022 still ends with deficits above the Maastricht convergence criteria.[8]

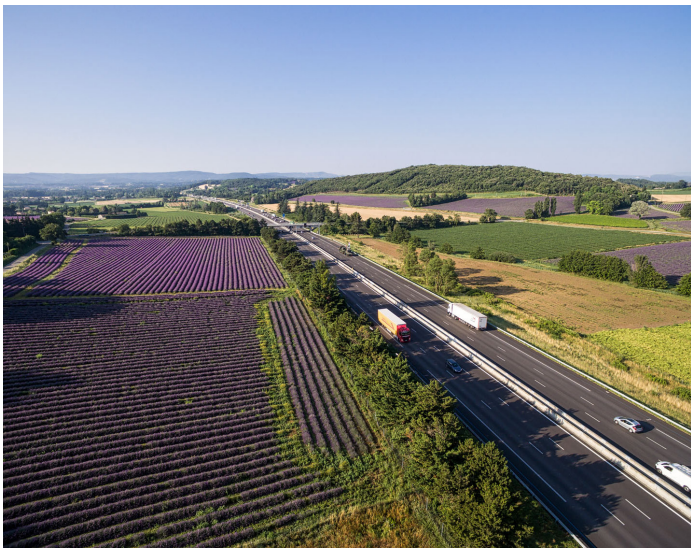
The impact of such burdens will increase now that interest rates have started to rise due to inflation. In 2022, the inflation rate reached 8,4 % and the ECB[9] has now set its key interest rates above 2 % after years of negative rates.

The rise in interest rates following the return of inflation does not only impact public financing. It also affects the long-term financing of new concessions after a historically long period of deflation, which helped making past concessions solvent, including the refinancing of some existing concessions. In other words, the cost of long-term infrastructures has increased, and this trend will persist in the foreseeable future.

Needs. While public and private finances are stretched, the need for enhanced and safer road infrastructures is still there: road fatalities also experienced a sad 'catch-up effect' in 2021 and 2022: an estimated 19 900 people were killed on EU roads in 2021, a 6 % increase compared to 2020, and preliminary figures for 2022 indicate that the number of road deaths has increased once again, by more than 3,5 % on average (with around 20,600 people killed), compared to 2021[10]. Consequently, the EU is further off the road of its EU Road Safety Policy Framework for the period 2021-2030 and the objective to halve the number of fatalities and serious injuries on European roads by 2030, which also includes the goal of zero road deaths by 2050 ('Vision Zero').[11]

While the need for new roads alone may slow down, there are still missing links from a Trans-European Networks ('**TEN**') perspective as recognized by the European Court of Auditors in 2020 ('**ECA**')[12]: 'Cross-border sections need to be given particular attention as gaps in the cross-border infrastructure lessen the intended impact of the EU-wide network. Relevant corridor work plans identified several incomplete cross-border sections, both between Member States (for example between Poland and Slovakia in Baltic-Adriatic corridor) and concerning sections leading to a border with a non-EU country (for example extension of the Hungarian M3 motorway to Ukrainian border in the Mediterranean corridor)'. In addition, new needs will emerge to accompany the possible enlargement of the European Union[13], and the reconstruction of Ukraine. In any case, maintenance will remain as necessary investment on EU roads.[14]

Furthermore, the fact that needs may differ in nature does not mean that they are any smaller. New investments will be required in order to upgrade infrastructures, by financing, for example, as we will see later new types of use, payment, fuels, vehicles, and forms of environmental protection.



8 Convergence criteria were put in place to measure progress in countries' preparedness to adopt the euro, and are defined as a set of macroeconomic indicators, which focus on: (i) Price stability, (ii) Sound public finances, to ensure they are sustainable, (iii) Exchange-rate stability, to demonstrate that a Member State can manage its economy without recourse to excessive currency fluctuation, and (iv) Long-term interest rates, to assess the durability of the convergence.

9 6,3% in 2023 ; ECB Monetary policy decision, December 2022.

10 European Commission, Road safety in the EU: fatalities below pre-pandemic levels but progress remains too slow, 21 February 2023.

11 Commission staff working document, EU Road Safety Policy Framework 2021-2030 - Next steps towards "Vision Zero", 19 June 2019, SWD(2019) 283 final; European Commission (2011), White Paper "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system", COM(2011) 144 final.

12 European Court of Auditors, Special report N°09/2020: "*The EU core road network: shorter travel times but network not yet fully functional*" notably paras. 35 to 38.

13 New candidate countries Albania, Moldova, the Republic of North Macedonia, Montenegro, Serbia, Turkey and Ukraine.

14 EU roads cover 136.700 km, out of which 49.700 km of TEN-T main roads (European Court of Auditors, Special report N°09/2020).

1.2. The ecological objetives create useful innovation opportunities

From the perspective of climate change also leading to greater social inequalities, it has become vital to ensure that mobility policies are more inclusive and road transport will remain a key element by virtue of its nature and the necessity to cope with land use and sprawl; this will be true especially for serving rural areas and transporting goods over distances of less than 300 km for which there are no alternatives yet. As of now, road transport still accounts for approximately 75 % of passenger transport and 82 % of freight transport within the European Union.[15] Therefore, climate change objectives will not be achieved without green roads, i.e. without genuine road transport decarbonisation, including that of passenger cars.

Overall, road transport accounts for approximately 25 % of European GHG emissions, i.e. almost 75 % of all transport emissions, out of which freight has a share of almost 25 %[16]. This relative global weight of road transport in EU transport emissions seems to have started to decrease[17] although it may still further increase for freight (see below).

1.2.1. Current vehicles focused efforts need to evolve towards also the infrastructures

Decarbonisation obviously generates multiple needs because of the need to green both road uses and vehicles, while greening recharging infrastructures, and finally looking for greener infrastructures in terms of both construction and maintenance so that the infrastructures can integrate the new types of vehicle uses in their design. At this stage, road traffic decarbonisation is essentially based on the adaptation of vehicle engines[18] , which does not fall within the remit of responsibility of infrastructure operators, but has a direct impact on them.

This is perfectly illustrated by the Commission's proposal, which creates obligations for infrastructure to support alternative fuels ('AFIR')[19]. The cost of charging points to accompany EU strategy in favour of electric vehicles ('EVs') alone will likely come up to €53 billion[20] to €80 billion[21] until 2030, with an impact which has still not been completely assessed. As such, the proposal, which is still under debate, shows that the transition to the new vehicles is also synonymous with technological uncertainty and thus carries costs, both short- and long-term, that are partly unknown.

The greening of vehicles raises even more questions regarding heavy-goods vehicles ('HGVs'), which alone generate 25 % of road transport emissions, i.e. 6% of total CO2 emissions in the EU. Without further action, this share is expected to increase by approximately 9 % between 2010 and 2030[22]. Since no heavy decarbonisation is possible without heavy-duty vehicles, expedient action in this area is important. However, the energy transition for heavy goods vehicles is more complex and thus slower compared to light-duty vehicles, and autonomous electric solutions still lack credibility as there are no well-developed fast charging stations.

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15 Eurostat data for 2019.

16 22% in 2018 including road, rail, and inland waterways according to Eurostat.

17 In 2018: 72 % of CO2 emissions from transport in the European Union, which includes emissions from both passenger and freight transport according to Eurostat; in 2020: 77% according to EEA (European Environmental Agency; further information is available at https://www.eea.europa.eu/ims/greenhouse-gas-emissions-from-transport).

18 EU has massively supported this transition to green vehicles using EU funds and State aid instruments (ICEI I & II batteries, IPCEI H2 I & II).

19 Proposal for a Regulation of the European Parliament and of the Council of 14 July 2021 *on the deployment of alternative fuels infrastructure*, and repealing Directive 2014/94/EU, COM(2021) 559 final. Its final version will be formally adopted in July 2023.

20 Commission impact assessment on AFIR, 14 July 2021: '*The total additional costs relative to the baseline for the private and public sector for the period 2025 – 2050, expressed as present value over 2021-2050, are estimated between €49.9 billion in PO1 and €58.9 billion in PO3, with PO2 falling in between €53.3 billion. However, as explained in section 6.1.1, for PO1 especially in Member States that currently plan for limited infrastructure deployment, there is a risk that the planning is equally insufficient with respect to the deployment along the TEN-T corridors in terms of distance between recharging stations and the total power provided for LDVs.*'

21 E&Y for Eurelectric, 3 million charging stations for 30 million electric vehicles by 2030.

22 Regulation 2019/1242 of the European Parliament and of the Council of 20 June 2019 *setting CO2 emission performance standards for new heavy-duty vehicles* and amending Regulations No 595/2009 and 2018/956 of the European Parliament and of the Council and Council Directive 96/53/EC, recital 9.

Thus, the recent proposal for a Regulation[23] to enhance CO_2 emission performance standards for new heavy-duty vehicles and integrate reporting obligations could translate into wishful thinking with its highly ambitious target of reducing heavy-duty vehicle emissions by 90% in 2040. With currently available technologies, the question is not only when but how this target will be achieved.

Finally, as far as HGVs are concerned, inter-modality will remain key, enabling the best possible combination of transport modes from an environmental point of view, without harming the competitiveness of EU supply chain. Thus, being in a position to influence behaviour mostly depends on the quality and efficiency of complementary and alternative services offered by rail freight, inland waterways, maritime transport, as well as the optimisation of logistic flows at both national and international level. Road infrastructure operators have no substantial role to play in this regard compared to Member States tax and investment policies, which are the main drivers for the allocation of logistical flows between various modes.

However, this is not the end of the road: there will be no 'green' cars on 'black' roads. If the aim is to reach zero-carbon mobility on highways, measures cannot be limited to those accompanying the greening of vehicles, which will in any case take years to produce tangible results. Road transport needs a comprehensive action plan covering each gram of potential decarbonisation, from ground to car, from design to use, and from construction to maintenance.

1.2.2. Decarbonisation-related actions for the infrastructures

Actions can and should be taken to reduce emissions in the construction, maintenance and operation of road infrastructures. Some non-exhaustive examples of possible areas of intervention are outlined below.

Fleet and traffic management. Fleet and traffic management are the obvious link between decarbonisation of vehicles and infrastructure, respectively. On the one hand, this change is already under way: fleet operators have started to use fleet management tools in order to optimise the efficiency of their fleets, which will increasingly integrate solutions for energy consumption reduction. Since 2010 infrastructures[24] have been equipped with intelligent transport systems, which include real time information on traffic, incident, and tariff, helping the users to find the most efficient travel solutions.

In this framework, road operators and service providers should lead by example: they should all be equipped with fleets that exclusively comprise low-carbon energy vehicles and management tools that optimise the use of these fleets.

Furthermore, 'on-road' intelligent transport system ('**ITS**') should be further connected to 'on-vehicle' fleet management tools. So far (i) 'intelligent' infrastructure and 'intelligent vehicles' have been developed separately, and (ii) 'intelligent' systems have been developed to promote smart mobility rather than green mobility. Innovation and regulation (see also below) should be used to close these gaps, connect intelligent systems and gear them to sustainability.

Infrastructure maintenance and operation. Decarbonisation of infrastructure can start with ***decarbonising traditional conception, management and maintenance*** activities through increased and extensive use of low-carbon technologies. In this regards, the following actions could be considered, inter alia:

- using **low-temperature asphalt mixes** for both new construction and maintenance in order to reduce the CO2 generated due to the heating of asphalt mixes;

23 Proposal for a Regulation of the European Parliament and of the Council of 14 February 2023 amending Regulation (EU) 2019/1242 as regards *strengthening the CO_2 emission performance standards for new heavy-duty vehicles and integrating reporting obligations*, and repealing Regulation (EU) 2018/956, 2023/0042(COD).

24 Directive 2010/40 UE of the European Parliament and of the Council of 7 July 2010 on *the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport* currently subject to trialogues and could be adopted under the Swedish Presidency.

- optimising the **intervals of pavement renovation** to avoid wasting bituminous materials, if existing pavements are to meet the levels of service required by governments and users;
- significantly increasing the **recycling of in-place asphalt**, which now stands at around 20 % and should be increased, in order to minimise the use of carbonaceous materials manufactured from scratch when resurfacing pavements; and
- more generally, **adapting a variety of management tools** with a view to achieving decarbonisation, based on infrastructure data process, which would allow pre-emptive asset management optimising their regeneration and replacement.

Power production. Finally, in the long term, road infrastructures could be transformed into 'electricity production plants'. Here again, this longer term evolution cannot be disconnected from the transformation of vehicles, in particular HGVs, and the use of infrastructures.

As for the HGVs it is obvious that infrastructures will be part of this transformation and that the process is likely to go beyond the renewal of charging stations. So far, the draft Regulation[25] has elected to focus on the electric charging option without any clarity as to whether this is the best, and even a feasible, option for HGVs. It is thus important for public authorities to further assess and coordinate technological evolution developments in order to allow infrastructure managers to anticipate them.

In fact, some of the evolutionary developments in question, as listed below, would have an enormous impact on infrastructure design and operation, and their introduction will have to be carefully planned:

- catenary roads, where one track is equipped with overhead cables to directly power the motors;
- induction roads, where one lane is completely transformed to continuously recharge batteries by induction; and
- rail roads, where one track is equipped with a rail on which a skid from the truck slides.

One component of the transformation of road infrastructures as carbon passive can of course be power generation, including part of the energy needed by road users. Indeed, due to the surface area of their land take, roads which are already high-service level infrastructure, can be transformed into effective renewable electricity 'production plants', be it through solar panel fields or, in some cases, through the installation of wind turbines. Similarly, all buildings constructed within the land take of a road can be equipped to serve as solar 'micro-plants'.

Last but not least, since charging EVs will have an impact on the electricity grid, it is important that these new road uses be taken into account in order to optimise electricity grid management: in the near future, TEN-T will become part of TEN-E.

1.2.3. Increasing the efficiency of the transport system as a whole

The above clearly demonstrates that road transport decarbonisation will take place on the road. However, it will only be a success if accompanied by 'off road' measures that are likely to increase the overall efficiency of the transport system. Although this may be beyond the control of ASECAP's members, it seems necessary to highlight here in order to have a complete picture of the main components of decarbonisation-oriented efforts.

In this regard, reducing and managing urban and suburban traffic is key from both an environmental and infrastructure efficiency perspective. Regarding **suburban traffic**, 8 out of 10 users drive alone in their car. This is an incredible waste of space, time, and energy, from an individual and a collective point of view. It makes it difficult to apply the polluter-pays principle in a fair manner, since one car with one user will pay the same price as the same car with several passengers, while the impact on congestion and the CO2 per passenger is not the same. This situation is essentially due to the lack of a credible public transport alternative that allows the inhabitants of outlying areas – often the

25 Proposal for a Regulation of the European Parliament and of the Council of 14 July 2021 on the *deployment of alternative fuels infrastructure* (AFIR), see footnote 17.

most underprivileged – to access districts where greater employment opportunities abound. More effectively and efficiently used infrastructure will offer a considerably higher transport capacity while better connected high-capacity rail networks in the centre of congested urban areas will considerably reduce the consumption of space, time and energy in everyday transport.

A greater volume of high-level passenger transport on suburban motorways

Such a policy will require the transformation of suburban motorways within a defined radius surrounding urban centres into effective corridors where one lane would be reserved for "collective" vehicles, such as:

- high-frequency bus routes;
- carpooling vehicles; and
- semi-autonomous and then fully autonomous shuttle buses.

Some estimates shows that by pursuing a proactive policy it would be possible to quadruple the number of passengers transported per hour (from 2,000 to 8,000) by 2030 and beyond with the development of autonomous vehicles, coupled with the prospect of doubling this flow even further. In this regard, it is necessary to:

- develop interchange zones between local roads and motorways with secure parking capacity for the various access modes (private vehicles, motorised two-wheelers, and others); *and*
- build high-service level hubs at the intersections of the motorway network and high service public transport rail lines.

Policies like this can be implemented gradually

To be successful, however, such a policy requires that high-quality public services be set up in a manner consistent with potentially reducing capacity by freeing up a dedicated lane. The feasibility and realism of such a policy, while essential for decarbonising mobility without drastically reducing it, requires a robust and consistent funding scheme.

A tool to rebalance social mobility in congested urban areas

In addition to their decarbonisation role, these policies will promote greater social equality between the areas that are currently the least well served by high-service level public rail transport, in which the lowest income households are concentrated, and more central areas, which largely have adequate access to public transport (rapid transit systems, regional trains, metro, etc.). It should allow all those who cannot access more expensive personal zero-carbon modes of transport to find more efficient high-service level means of transport.

The underlying financing tool may therefore be:

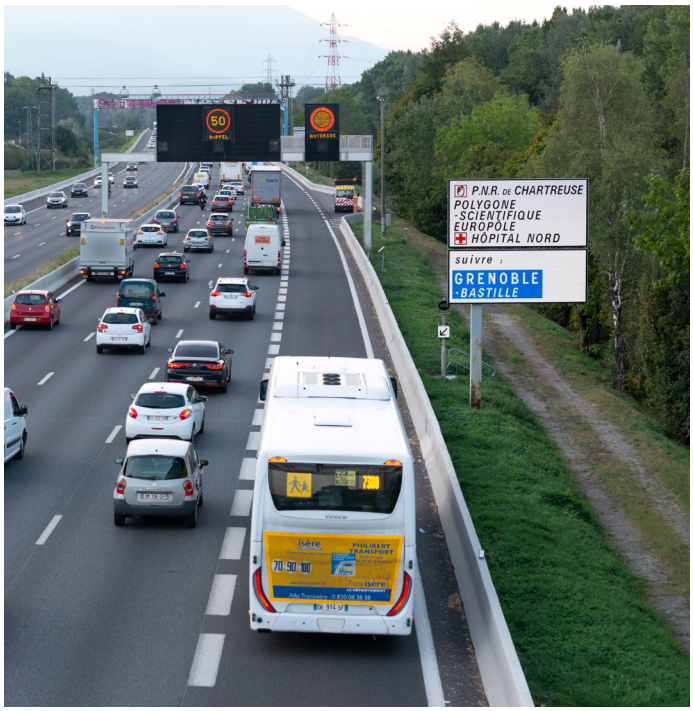
- directly linked to the actual use of space and time;
- extended to all modes of transport in order to allow the fastest possible interconnection; and
- means-tested.

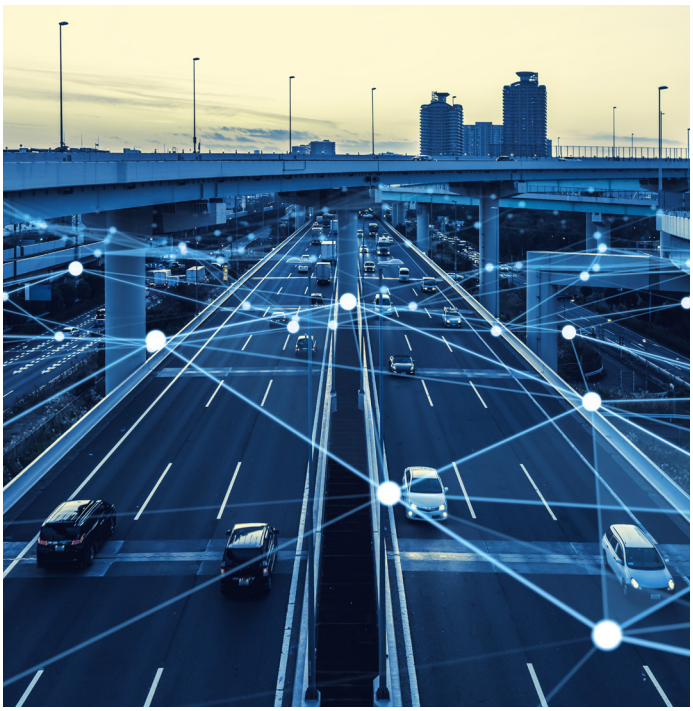
According to the European Court of Auditors, 'there is considerable economic research indicating that the cost to society of congestion is high (estimated at ***€270 billion per year in the EU)*** and that the more fluid the traffic in an urban area, the greater its likely economic growth.

One study showed that moving to free-flow traffic could boost productivity of workers by as much as 30 % in highly congested regions. However, experience has shown that ***increasing road capacity in urban areas leads to more traffic and thus congestion***, so the ***solution has to be sought through other approaches***."[26]

Here again, public choices and alternative infrastructure matter. As **ECA** rightly concludes, no progress will be made without commitments by the Member States and all public authorities. However, while high-capacity rail networks better connected to the centre of congested urban are needed, better and more efficient use of toll road infrastructure would allow considerably increasing transport capacities for passengers. In addition, this situation is also very problematic for public health as a large proportion of road transport emissions occur in urban areas with high population density, resulting in high levels of human exposure for this sector. In this respect, over 430,000 Europeans die annually as a consequence of NO2 levels with current European emission standards.[27]

As an example, several cities in the Netherlands, as well as more recently Lille (France), introduced a scheme to encourage motorists to opt for alternatives to their car (including teleworking) by offering them an eco-bonus (of up to €80 per month) for journeys not made during peak hours (reversed toll). These projects seems to have positive effects, with behavioural changes beyond the incentivised phase.[28] This is a good illustration of the support that toll roads offer in order to promote other modes, other uses. However, this example raises the question of scarcity of public resources: for user-pays principle to work, user have to pay.





26 European Court of Auditors, Special report N° 06/2020, "Sustainable urban mobility in the EU".

27 Study by the Centre for Research on Energy and Clean Air (CREA), 16 February 2023, further information is available at https://energyandcleanair.org/wp/wp-content/uploads/2023/02/CREA_The-toll-of-fossil-fuel-air-pollution_A-case-for-clean-transportation.pdf

28 *"The result, as presented by the Dutch authorities, is thus resolutely positive. The operation has in fact made it possible to influence the habits of participants, even after the end of the incentive scheme. Thus, the 8% reduction in the level of congestion continued in 2016 and 2017", in Rapport CGEDD n° 011008-01 – IGA n° 17018-R, "Conditions de faisabilité du projet Ecobonus de la Metropole européenne de Lille",* June 2017.

SECTION 2.
Toll roads can play an important role

The above suggests that road transport decarbonisation is not only needed, but also feasible. It implies a set of measures, covering all aspects of road transport and all type of users, which should be included into a comprehensive strategy. In this regard, addressing climate change is not against mobility nor is it against the economy. It creates new needs and opportunities.

However, this raises the question of how to finance this mutation of road transport and mobility. If the aim is to reach zero-carbon mobility on highways, the cost may represent up to one fifth of the value of the existing motorway network.[29]

Since tolling is a well-recognized tool to give a 'price message' to the users, it could play a very important role in this evolution.

2.1. The ASECAP role

As noted in the Preamble, ASECAP's members operate only a part, albeit important, of the overall EU road network.

Consequently, their actions can partly contribute to road transport decarbonisation in the EU. Indeed, 95 % of GHG emission on ASECAP infrastructure is generated by road traffic itself and only at 5 % is generated by the managers' own operational or construction activity.

Yet, ASECAP's member are willing to lead by example and to prove the effectiveness of solutions that could then be implemented in the larger EU road network.

2.2. Building green roads on established and solid foundations

Tolling has several advantages.

First, it exists as a familiar element of the European landscape: while toll roads are not as old as the wheel, they have existed since the Middle Ages when they were referred to as pedaticum, i.e. walking traveller. 'Concessions' first appeared in the history of EU Member States in XVIth century, with the decision to allow bridges and waterways to be financed by private entrepreneurs who were then remunerated by toll collect. In modern times, toll roads were invented in the UK. Since 1707, they have been managed by the so-called 'Turnpikes trusts', precisely to ensure the financing of maintenance and thus improvement of the infrastructure, reducing travel time between main cities. Today, in the EU it applies to most Trans-European Networks (92.000 km of EU toll payment network out of 136.700 km of TEN-T[30]). The total ASECAP networks comprises more than **82,000 km** of toll motorways, bridges and tunnels across 19 member countries.[31]

Second, regarding roads, this established practice which exists in most Member States (15 out of 27), ***relies on an EU legal framework:*** on the one hand, the EU has offered a common framework for toll roads on the internal market since 1999[32]. On the other hand, for several years the EU has been ensuring the interoperability of toll systems.[33]

29 Jean Mesqui, road expert for ASECAP, ASECAP conference October 2022 : *"Financing this major transformation, the total cost of which is probably of the order of one fifth of the value of the motorway legacy built over the last three quarters of a century, requires a spread over more than a quarter of a century. This financing is based on a multiannual programme that strikes the right balance when it comes to annual budgeting. Over the next quarter of a century, adopting a national and European logic that is easy for users to comprehend should be prioritised over implementing ad hoc solutions".*

30 Source: Eurotoll and European Court of Auditors, Special report N°09/2020.

31 Source: *ASECAP 2022 Statistical Bulletin* Data at 31.12.2021.

32 Directives 1999/62/EC, 1999/37/EC.

33 Directive 2019/520 of the European Parliament and of the Council of 19 March 2019 *on the interoperability of electronic road toll systems and facilitating cross-border exchange of information on the failure to pay road fees in the Union.*

Third, tolls can play a ***crucial role in the future as a means of financing the green transition of road transport.*** Indeed, tolls rely on a proven model that can be adapted to various uses, and in particular the ***user-pays model***. It is important to recall this basic principle: since toll is paid in exchange for a service, and more specifically for the use of infrastructure, although there are limits to its applicability, it may appear less punitive than other 'green' tax instruments. In this regard, the so-called Eurovignette Directive, the 1999/62/EC and its revisions, attempt to encompass infrastructures tolls and environmental charges; it has to be noted that, in order to provide a broad general framework, the Eurovignette Directive also includes references to taxation, which creates some confusion in its interpretation.

ASECAP maintains that a concession toll is not a tax, neither by its nature (it compensates for the costs of building and/or maintaining the infrastructure, adding a remuneration for the capital invested in it), nor by law.

This being said, tolls can serve the objective of the Green deal in several ways.

As such, ***user-pays principle can serve the financing of all new needs*** listed above in relation to enhanced and safer infrastructures, adapted to cleaner vehicles which need to go hand in hand with appropriate infrastructures in order to keep up with developments now and in the future.

Moreover, the user-pays model can easily further ***evolve towards the polluter-pays model***. Current legislation (the aforementioned Eurovignette Directive) has undergone several degrees of evolution, starting out as a capping instrument to prevent undesirable restrictions on the free movement of goods; later, the concept of remuneration for infrastructure costs (construction and maintenance) was also introduced, and then it also started to be adapted to new environmental objectives. This evolution shows clearly that tolls are a very flexible tool, which can accompany the permanent adaptation of rules to climate change since the qualifications of 'users' as 'polluters' will necessarily evolve: for example, it is not for granted that users of EVs will never have to internalise any externality, taking into account either the energy mix for charging or because progressive elimination of CO2 emitted by the engines will allow to focus on CO2 emitted by tyres due the weight of EVs. This does not take into account other considerations, such as congestion or other types of pollution (particles again emitted by tyres and breaks).

Basically, on-road tolls have yet again proven their merit. Thus, they offer a fulcrum that can help us create and expand different level of tariffs for the different transport modes. In this regard, Spain[34] and Germany[35] have launched recent initiatives aiming to make rail transport more attractive than transport by road by offering free tickets with the aim of changing mobility habits from using cars by experiencing a modal shift. However, such extreme experiences, unfortunately entail additional costs that the State must bear by making the trains run for free. This model is not financially sustainable, not only because of public finance scarcity, but also because free travel in one mode is not economically and ecologically sustainable in the long term. It sends the message that mobility can be for free and globally reduces the levers for making transport more environmentally friendly on a global level.

Despite the above constraints, road tolls as such and a tool to address climate change and road transport decarbonisation do not seem to be taken for granted, although in some cases they have been jeopardised.

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34 In Spain, from September to December 2022, the government launched the Free RENFE ticket initiative which costed €221 million for the government. Further information is available at https://www.euronews.com/travel/2022/10/04/spain-short-and-medium-distance-trains-will-be-free-this-autumn-thanks-to-a-windfall-tax

35 In Germany, during the summer 2022 the government launched the € 9 train ticket initiative which lasted 3 months has resulted in a public expenditure of €2.5 billion and the initiative did not manage to shift people from car to train and only increased public spending (further information is available at https://www.politico.eu/article/germany-9-euro-ticket-train-public-transport/). In addition, Germany has launched in May 2023 a new transport ticket, the "Deutschlandticket", which offers unlimited access to buses, metros, local and regional trains. However, many criticisms have been raised against these initiatives. Indeed, in 2022, when the first initiative was launched, there were many negative effects, i.e. overcrowded trains, delays and technical problems. Further information is available at https://www.rtbf.be/article/l-allemagne-en-train-a-petit-prix-pari-pour-le-climat-et-le-pouvoir-d-achat-11191403.

2.3. Misconceptions may endanger tolling contribution to decarbonised road transport

2.3.1. Fighting climate change starts with keeping road tolling

Tolling has a future as it will play a crucial role in financing the green transition and implementing the objectives of the Green Deal and the taxonomy. In this regard, it is deeply regrettable that the principle of tolling is regularly questioned despite its added value and established practice.

In the EU, a number of tolled road concession contracts will reach their end term in the next decade, leaving open the question of road financing. Recent experience has shown that concessions can be left to die and tolls can disappear, without the environmental considerations and climate change emergency being taken into account, and despite the fact that maintenance, operation and upgrade costs will end as a burden on the general public and not only to those using tolled roads. On the top of this, without the resources from the tolls the quality level of those roads, and their safety, tend to decrease.

For example, in 2021 Spain decided to get rid of the tolls on part of its network, representing a total length of 1 100 km with average daily traffic of near 30,000 vehicles with a loss of toll revenues near 1000 million per year. By switching existing road from user-pays and thus polluter-pays to free use, it has reduced the internalization of road transport external costs. The negative consequences of the choice not to renew concessions, are already visible and measurable, making free access costly from an ecological and economic point of view: more traffic, more congestion, more HGVs and finally more accidents. The first concrete impact is that beyond the loss of resources, the State has to assume the operational maintenance cost, which has been estimated near €65 million per year. More importantly, the light vehicle traffic has increased by 50 % and the heavy good vehicles have increased by 143 % on one motorway. On some motorways (three in particular), accidents have increased dramatically. The traffic accidents with injuries have increased between 36 % and 77 % depending on the network.[36]

Now that Spain has announced a comprehensive plan to modernise its infrastructure and promote rail[37] EU Member States should think about the following paradox: within one year, use of rail has first been disincentivised by not maintaining tolls, sending the message about a possible future of free road transport, resulting in the need to render train free too in order to promote a modal shift.

In this context, **ASECAP wants to emphasise that for tolls to be leveraged as instrument to decarbonise road transport, the instrument has to exist.** Obviously, it is always easier to use existing tolls than to establish new ones. The failure to maintain existing tolls has immediate consequences beyond individual concessionaires, their employees, or road user safety, by deleveraging internalisation of external costs through the tariff, while increasing the public cost of modal shifts towards greener modes of transport. In other words, even ahead of any tolls variation in relation to the CO2 emitted by users, free road as such degrades the CO2 footprint of road transport and is against Green deal objectives.

2.3.2. Fighting climate change also needs legislative adaptations

As already said, in order to contribute the decarbonisation of road transport, toll roads face the need (i) to finance new investments that facilitate this green transition and (ii) to be able to further leverage this user-pays principle towards a polluter-pays model, internalising part of roads external costs and allowing road users to directly perceive both the ecological impact of their journeys.

36 Bruno De la Fuente, Director of Concessions – SEOPAN, ASECAP conference October 2022.

37 In June 2022 Spain announced a €9.5 billion package, aimed at helping people through the rising costs of living.(further information is available at https://www.reuters.com/markets/europe/spain-approves-95-bln-aid-package-vulnerable-families-2022-06-25/)

In this regard, the **latest version of the so-called Eurovignette Directive** (in its last release, 2022/362 from 24 February 2022)[38], as recently adopted, claims to pursue the objective of combating climate change. It is difficult to determine whether these new provisions are an effective instrument for achieving this objective at this stage.

However, even if the concrete impact of these provisions is to be further assessed, the latest version of the Directive is still based on the original concept of capping road tariffs and their variations in line with the overall EU policy pillar of guaranteeing the free movement of goods.

This policy 'limitation' makes it only partly consistent with the objective of establishing a full polluter-pays principle since tolls variations in relation to CO2 and pollution are introduced only for HGVs and capped by the policy pillar[39]. Furthermore, only toll resources linked to the optional congestion charge must be allocated to projects aimed at reducing congestion. Globally, from an environmental and climate mitigation point of view, the 2022 version of this Directive cannot be presented as really addressing climate[40] , as claimed by EU legislators.

ASECAP members have drawn the attention of the European Parliament and the Council ahead of the adoption of the text.[41] While the December 2022 agreement on the Directive of the European Parliament and of the Council amending Directive 2003/87/EC opens the door for addressing road transport emission via the Emission Trading Scheme (ETS), this will not happen before 2027 or 2028, nor will it address the bulk of road traffic and emissions from passenger cars.

Further to the limitation of the possibility for tolls to include a material variation based on climate change considerations, Eurovignette Directive leaves open the capacity of Member States to apply it beyond the Trans-European transport network.

In fact, a political debate and political decisions are needed as some policies, such as the free movement of goods and the instruments to tackle road related emissions, may not be well aligned. ASECAP urges such a debate to clarify future approaches and the steps to be taken.

2.3.3. Fighting climate change needs Intelligent transport and tolling systems to be recognised by EU taxonomy

The Taxonomy Regulation[42] is one of the key elements to achieve the EU's 2030 climate and energy targets and to meet the objectives of the European Green Deal. The aim of the EU taxonomy is to establish a clear definition of what is 'sustainable' and a common benchmark for activities in this regard, the idea being to favor the financing (accessibility and cost) of economic activities, depending on whether they are eligible to and aligned with environmental objectives. Thus, the Taxonomy Regulation implicitly provides for the polluter-pays principle to be further implemented: on the one hand, economic operators will adapt their activities to comply with taxonomy sustainable criteria; on the other, financing costs of these activities will vary subject to their level of compliance. This should create a pressure on private investment with the aim to ensure carbon neutrality of economic activities in 2050.

38 Directive 2022/362 of the European Parliament and of the Council of 24 February 2022 amending Directives 1999/62/EC, 1999/37/EC and 2019/520, *as regards the charging of vehicles for the use of certain infrastructures.*

39 See recital 23 regarding the *"variation of infrastructure charges and user charges according to the CO2 emission class": "its levels are limited by the provisions introduced by this Directive".*

40 Further information is available at https://www.consilium.europa.eu/fr/press/press-releases/2021/11/09/eurovignette-road-charging-reform-adopted-by-council/.

41 Letter sent by ASECAP President António Nunes de Sousa to the European Parliament on 10th January 2022.

42 Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on *the establishment of a framework to facilitate sustainable investment* and amending Regulation 2019/2088.

The Taxonomy Regulation in its Article 9 defines the environmental objectives to be fulfilled as: *(a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; and (f) the protection and restoration of biodiversity and ecosystems.*

Therefore, taxonomy is a complementary instrument, compared to others like road tolling, used in order to internalize the negative externalities of economic activities. From a road management point of view, a social objective such as road safety is not covered by the six main objectives of the taxonomy, but they do appear, and could be taken into account in the future, in particular in relation to the 'social taxonomy' referred to in Article 26 paragraph 2 (b) *other sustainability objectives, such as social objectives.*[43]

However, road transport, and more specifically motorways or highways, are already covered by the taxonomy and thus potentially eligible.[44] While only the first two objectives have been defined by the Commission (in relation to climate change)[45], motorways will have a relevant contribution to other objectives, such as biodiversity (by limiting land take, building ecoducts…).

The question on whether these activities are aligned with these objectives will be screened through a set of defined criteria, per activity, in relation to each objective. These screening instruments are misconstrued because most concern the lifecycle of products. They do not cover related services or 'soft' instruments, such as road charging or ITS, even though both undoubtedly serve EU transport policy and. as established above in this Position Paper, and play a key role in decarbonisation and sustainability of road transport.

For motorways and toll road operators, which are financing heavy and long term investments, to contribute to green finance and at to same time to their own carbon neutrality, it is necessary to reconcile investments in ITS and tolls with the taxonomy.

In this regard, ITS[46], which has been key to promoting smart and safe mobility, is not yet in and of itself focused on greener mobility. As already mentioned, road transport digitalisation can serve sustainability objectives by improving traffic flow, reducing congestion and, ultimately, reducing CO2 emissions. Thus, the deployment of new intelligence services which is a significant gain in efficiency and safety of road transport should be accelerated, while keeping environment protection in mind.

As far as possible on-going trialogues regarding the revision of Directive 2010/40 should also take this objective into account. As next steps, **ASECAP calls on the Commission to develop a new Green ITS proposal in order to include and enhance ITS services with positive environmental impact. ASECAP also calls for ITS and road tolls to be taken into account as criteria for the Taxonomy eligibility and alignment,** especially as a substantial contributor to climate change mitigation.

2.3.4. Smart tolling needs stable legal framework for concessions

Road tolling can be implemented within various legal schemes, which are all represented by ASECAP members. Concession model, in which the

43 Richard Lax Executive Expert EU affairs, KAPSCH, ASECAP Seminar 24 November 2022.

44 NACE codes F 42.11, F 42.1, F 71.1, F 71.20.

45 Regulation 2021/2178 of 6 July 2021 supplementing Regulation 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation.

46 Proposal for a Directive amending Directive 2010/40/EU of 14 December 2021 *on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport*, 2021/0419 (COD). This proposal is part of the overall set of interlinked policy initiatives under the 'Fit for 55' package. These policy initiatives correspond to the actions needed across all sectors of the economy to complement national efforts to achieve the increased climate ambition for 2030, as described in the Commission's 2021 work programme. The specific objectives of this proposal are: *(i) ensuring minimum infrastructure to support the required uptake of alternative fuel vehicles across all transport modes and in all Member States to meet the EU's climate objectives; (ii) ensuring the infrastructure's full interoperability; and (iii) ensuring full user information and adequate payment options.*

concessionaire bears the financial burden as well as traffic risks linked to infrastructure construction and/or management, is one of the most commonly used among Member States.

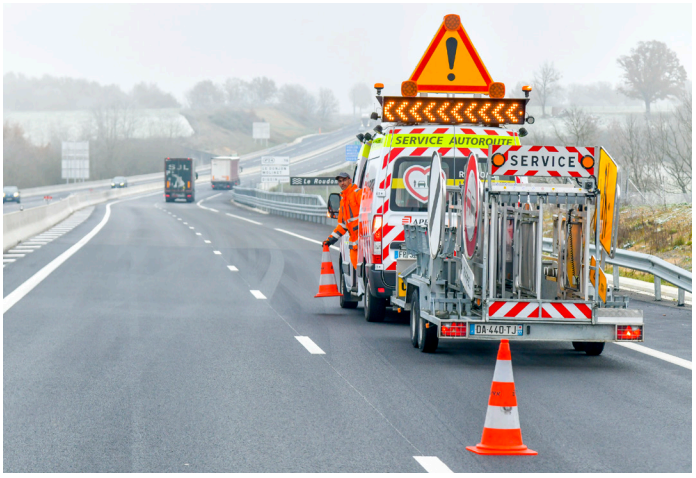
In this regard, the **Concessions Directive** (2014/23)[47] has enabled a higher degree of and better harmonised legal framework for this model, which provides key support to the user-pays and thus polluter-pays principles in the financing and management of infrastructure. It has reinforced transparency and thus fair competition across the Internal market when concessions are allocated following open and non-discriminatory procedures.[48] This is, by the way, yet another reason to trust concessions' renewal process, when it comes to allow the best possible result from an economic efficiency point of view.

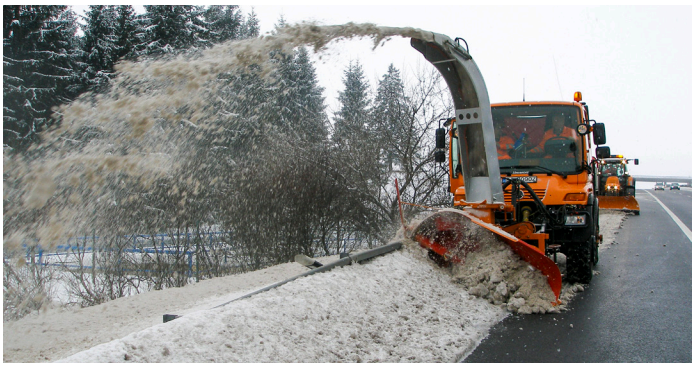
At the same time, the 2014 Concessions Directive has not affected the merits of concessions for the financing of general interest economic services, namely the flexibility to transform 'public investment' into private financing, with the upfront cost that public finances would have otherwise paid being transformed into long-term private debt to be reimbursed thanks to toll collect throughout the term of the contract. The capacity to adapt or extended contracts, when needed, is also a useful instrument in this regard.[49]

Last but not least, the 2014 Concessions Directive has offered legal certainty for both public authorities and concessionaires. **Legal certainty is a key element** that affects the economic balance and, therefore, the efficiency of concessions, which are used for the purpose of public interest long term investments, particularly in relation to road infrastructures.

However, in the light of the ongoing review of the Concession Directive, further to the obvious and reasonable intention to assess and to adapt the legislation in time, ASECAP also sees a risk of the acquis governing the toll motorway sector, introduced with the 2014 Concessions Directive, being modified. Indeed, predictability of the rules is much needed in particular ahead of potential renewal of a large number of concessions, which could be jeopardised in case of uncertainty of the legislative terms. This appears to be even less justified if, at is seems, the scope of the Concessions Directive is not likely to be extended to concessions in the sector of water management.[50]

Thus by size, financial and economic relevance, road concessions will remain the main focus of the Concessions Directive. In this context, **ASECAP, in the capacity as representative of most EU road concessions, calls for stability of the existing framework and for the Concessions Directive (2014/23/EC) remaining in force**, especially when other regulatory tools affecting road tolling have a taste of incompleteness.





47 Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 *on the award of concession contracts.*

48 Article 3 para. 1, Article 29 para. 2 and Article 38 para. 1 of the 2014/23 Directive.

49 Article 43 of the 2014/23 Directive.

50 Specific exemptions for water in the Article 12 of the 2014/23 Directive.

SECTION 3. Conclusion and recommendations

In conclusion, ASECAP would like to once again highlight the fact that **toll roads should be seen as one of the solutions for financing the ecological transition of road transport and mobility.** Indeed, tolls may finance the ecological transition by providing improved and safer infrastructure, adaptation to cleaner vehicles and internalization of the negative externalities of road transport. Tolling can also promote alternative and cleaner modes of transport by offering different levels of tariffs for the various modes of transport.
In this respect, financing better, safer and greener road transport and combating climate change will not become a reality without including tolls in the transition. Indeed, the toll and concession road sector wants to build a positive agenda and start implementing key measures to contribute to the decarbonisation of road transport. Therefore the user-pays principle is the most sustainable way to implement polluter pays principle, thus securing the ecological transition of road transport in line with EU Green Deal objectives.

Based on the analysis set out above, ASECAP is convinced that the greening of mobility will not be achieved on the basis of a single solution and therefore suggests the following measures for the future development of road toll concession systems in Europe.

First, EU institutions and Member States should explicitly recognise and protect the role of the toll and concession model as a means of financing road transport decarbonisation. Indeed, obligations set on vehicle performance will have slow and limited impact. Furthermore, there will be no greening of vehicles without adaptation of infrastructures. Greener, just like enhanced and safer infrastructures, will have a cost, as illustrated by the Alternative Fuels Infrastructure Regulation (AFIR). Financing of less polluting modes also needs resources, and the internalisation of the respective external costs should rely on existing instruments. Any opportunity should be used to recall needs and importance of tolls in this regard, and this should be made explicit in on-going and forthcoming EU legislative and non-legislative proposals.

Second, ASECAP is convinced that technology is still the missing piece of the sustainability strategy, and that it is therefore necessary to combine the legal definition of toll definition with that of ITS, to ensure that **motorway is part of mobility as a service and that mobility is a decarbonised service.** Therefore, ASECAP also calls on the European institutions to **take into account potentially higher contribution of ITS to transport decarbonisation** in the adoption of the on-going proposal and otherwise prepare the next ITS.

Third, ASECAP calls on EU institutions to **finalise the Taxonomy Regulation to include road tolls and ITS**, which play a key role in the decarbonisation and sustainability of road transport. Indeed, as indicated above, motorway and tolls operators actively contribute to the financing of green use of greener road infrastructures, which will address climate change but also other objectives such as biodiversity or water protection. Therefore, investments in ITS and tolls need to be reconciled with the taxonomy and anticipated in the next objectives and updated delegated acts. For this purpose, toll road infrastructure activity should be considered eligible and aligned with the technical screening criteria, especially with those contributing substantially to climate change mitigation (6.15 Infrastructure enabling low-carbon road transport and public transport) according to the European Regulation.

Finally, ASECAP recalls that, without prejudice to the need for tolls to be recognised, protected and used as direct source of financing of greener usages of greener road infrastructures, the latter should not be excluded from EU and national financing, including based on existing tolls, at least regarding those investments directly contributing to the EU Green deal.

Mission

The European Road network represents the backbone of efficient movement of goods and people around Europe. It is built, operated, maintained, and repaired with a long-term vision that ensures that the highest quality standards are reached. ASECAP – Association Européenne des Concessionnaires d'Autoroutes et d'ouvrages à Péage – is the European Association of Operators of Toll Road Infrastructures. The ASECAP network comprises more than 81,000 km of toll motorways, bridges and tunnels across 18 member countries (Austria, Croatia, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Morocco, the Netherlands, Poland, Portugal, Serbia, the Slovak Republic, Slovenia, Spain and Turkey) and managed by 125 companies. ASECAP has an Industry Group Partner, KAPSCH.

ASECAP's purpose is to defend and develop the system of motorways and road infrastructures in Europe applying tolls – the user/pay model principle - as a powerful tool to ensure the financing of their construction, maintenance and operation.

Moreover, ASECAP exchanges among its members experience, technical expertise, best practices and information regarding the construction, financing, maintenance, operation and improvement of toll infrastructures, and promotes and organises annual conferences and webinars for its members on technical, administrative and financial issues aimed at the deployment of efficient traffic management, providing to the end users a high-quality road service at an appropriate cost. For that purpose, it also collects technical and statistical data and participates in select projects.

In addition, ASECAP maintains permanent relations with relevant international organisations, the EU institutions and the industry's main stakeholders, protecting the interests of ASECAP members regarding the deployment of a holistic cooperative transport approach at the service of all citizens.

Furthermore, the toll road operators represented in ASECAP bring into the spotlight their crucial role in the development of a sustainable, safe and smart transport system in Europe. They want to highlight their engagement and commitment to improving the transport sector by making it more efficient, socially equitable and more sustainable from different standpoints: safety, environment, mobility and finance.

In their search to improve the environmental-friendly aspect of their activities and bearing in mind that they represent a driving force for the economic development of our continent, toll road operators seek to fulfil their responsibilities through a collective effort to foster sustainable development. In particular, they are willing to make their core business, the "toll", become the key instrument to achieve this fundamental objective.

The requirement for toll road operators to answer the climate change challenges is of paramount importance and will remain the key priority for the future. ASECAP members are shouldering their responsibility as nationwide land developers, playing a major role in the social and economic development of the regions they serve and connect, and stepping up their efforts to develop safe and sustainable transport solutions towards low-carbon/carbon-free motorway.

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