



Association Européenne des Concessionnaires
d'Autoroutes et d'Ouvrages à Péage

***Opinion of the European Concession Motorways sector regarding
the White Paper of the European Commission on the Transport
Policy until 2010: "A time for choices".***



***The road to a sustainable development depends
on a sustainable development of the road.***

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Opinion of the European Concession Motorway Sector
Regarding the white paper of the
European Community Commission
Concerning the transport policy to 2010:
"A Time for Choices".

General Considerations

The concession motorway sector welcomed the white paper released by the European Community Commission on September 12, 2001 with great interest.

This white paper is a set of proposed Community actions in the area of transport. Its aim is to promote the greater functionality of the various modes of transportation. It also aims to turn them into a sustainable system simultaneously from an economic, social and environmental point of view. It should be noted that this document constantly refers to the concepts of sustainable development (mentioned 19 times in the text) and sustainable transport. It is clear that this now concerns a stated objective of the European Commission's transport policy.

It should be noted that the European Commission has taken into account the many factors in the growth of transport demand to 2010 in an expanded Europe and that it aims to counter the various economic losses caused by the congestion already observed for several modes of transport. It also considers that the application of the constraints proper to sustainable development in the transport sector necessarily includes *" a significant separation between the growth of mobility and that of the economy...without it being necessary, however, to restrict the mobility of people and goods "*. The modal re-balancing of market share achieved in 1998 indicates an ambitious objective for alternative modes to road transport: railway, domestic waterways, short distance sea transport, intermodal solutions. While road transport does indeed require regulatory modernization, the European Commission is well grounded in recalling that *" the main asset of road transport is its capacity to transport goods everywhere in Europe with unequalled flexibility and at lower cost "*. In this perspective, it is important to

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ensure the proper construction of Trans-European transport networks without neglecting the road and motorway network, particularly since this mode is nearly always present in any intermodal operation and since it takes on growing importance in interconnecting the networks of European Union member countries with those of countries applying for membership. This dual reality must be taken into consideration in 2004 when the Trans-European networks are revised.

Based on the thought process it initiated itself several months ago regarding sustainable development, the European concession motorway sector feels it is wise to react to the recommendations included in this document whose purpose is to orient the transport policy of the European Union.

Reactions Relating to the Major Objectives of the White Paper.

➤ Re-balancing the Different Transport Modes.

It is felt that the model of evolution of the road mode cannot be supported due to the increase of goods road transport that threatens the entire system with "paralysis in the center and asphyxia in the peripheral regions".

For the Commission, road congestion is the unavoidable consequence of the imbalance between transport modes. Congestion is already observable on the concession motorway network. It should be noted, however, that this congestion does not really reflect a general trend but is related to two well known causes:

- Traffic near major cities or urban networks,
- The major periodic migrations related to the holiday periods and leisure; remember that trucks, often finger-pointed, circulate already in reduced numbers on the days of major holiday departures already in several European countries.

Several initiatives by motorway concessionaire companies (toll modulation, user information, car pooling incentives, speed regulation) already aim to alleviate these difficulties. Faced with the problem of growing travel or transport, the concession motorway system can play an interesting role since it can, mainly through

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tolls, propose the appropriate solutions in terms of traffic regulation and can thus contribute to better using existing infrastructures, while controlling the growth of road traffic.

As regards the transport of goods, the concession motorway sector has already observed the problems generated by the growing number of heavy lorries on the motorway:

- increased wear of the infrastructure (the white paper estimates that maintaining a motorway would be six times less expensive if it were only used by cars),
- necessity of building specific installations specially dedicated to heavy lorries,
- conflicts of use between light vehicles and heavy lorries (some motorway managers observe that traffic with too many heavy trucks has a repellent effect on the drivers of light vehicles),
- safety problems caused by the coexistence of dangerous goods in passenger traffic.

The concession motorway sector thus feels that the means of favoring the switch of certain types of goods to other transport modes should be examined.

However it must be obvious for the policy makers in the European Union that the vast majority of goods transport is executed within a range of 60 to 90 kms. This fact makes more difficult the proper and efficient use of systems alternative to road transport.

Moreover, an increased share of the other transport modes should be a result mainly of their better productivity and competitiveness: if it is not the case, an obligatory increased share would risk to be considered as an artificial subvention.

➤ Linking the destiny of transport modes" (see white paper page 40).

The concessionaire companies above all consider the other modes as complementary to motorways rather than as competing modes. They particularly appreciate the fact that they contribute to alleviating the additional heavy traffic on the infrastructures they manage.

These other modes can contribute to improving the complementary nature between modes with certain arrangements. Several initiatives in different countries such as SANEF's broadcasting the shuttle

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hours leaving for the Channel tunnel on the motorway radio station in France, or Spain, where several Concessionaire Companies provide information on embarkation ports towards Morocco and Algeria, in Arab and French languages, in their Motorways, for a great number of Maghreb citizens that cross the country during the holiday season, demonstrate possible developments in this area.

➤ Financing the Infrastructures.

The European Commission has observed that financing infrastructures often comes up against public budgets limited by the States. In keeping with pricing the use of the infrastructures, it recommends adopting two solutions to this problem: resorting to private investors (possibly in public-private partnership form) and sharing financing between modes.

Already in several European countries, public and private concessionaire motorway companies coexist and collect real or shadow tolls.

The ASECAP countries operate more than 18,000 km of toll motorways. This system represents the fairest way to finance High Capacity Road Infrastructures, since it is the user who pays for the road he uses and not the taxpayer, and in addition it frees Public Funds that can be used to finance the development of other modes of transportation. More and more countries are having recourse to the toll system for the financing of motorways as the best solution to develop their Road Network without affecting the National Budget.

In the other hand certain countries in Central and Eastern Europe are affected by a high transit traffic; the fact that their infrastructure has been financed by the public budgets -and this transit traffic is not taxed- justifies that those countries can use the methods a lump sum tax or a kilometric tax. Under the same philosophy, the countries building infrastructure financed by their public budgets where the users do not pay for the use of this infrastructure could use the same policy.

But it is not reasonable, as the White Paper seems to suggest, to apply this measure everywhere without discrimination given that the peripheral countries do not have the burden of such a transit

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traffic. More over, in the ASECAP countries such charges could exist only on the motorways without tolls because the co-existence of the motorway tolls and the usage tax is unacceptable

On the other hand, European States levy, in different forms, excise duty on fuel consumption. The logic of sustainable development and the orientations proposed by the White Paper lead to recommending that the income derived from this duty be allocated in priority and in whole to financing new transport infrastructures as is done in Switzerland and the United States.

The current involvement of the concession motorway sector in financing the different transport modes is strong. It should be underlined that through their significant contributions and their experience in this domain, the concessionaire companies are already positioning themselves as uncontested actors in terms of sustainable transport and that they are ready to play an increasingly important role outside the motorway infrastructures themselves as suggested in the white paper (page 62).

➤ The Real Cost for the User.

The Commission would like to rebalance the transport modes by taking into account the nuisances they generate. The idea is to have users bear the total cost (including the environmental cost) of their transport decisions. There is a growing consensus concerning the necessity of setting up the appropriate economic signals to ensure transport development that is compatible with the environment.

The concession motorways appear particularly well positioned as regards this last perspective. The tolls applied appear to be a proven method for translating any political decision regarding the internalization of external costs. However, realistic estimates of these costs must first be made. Modulation of the tariffs level according to the environmental performance of the vehicle, may also be a solution to be considered.

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➤ Toll and user charging

Motorway tolling is certainly expected to play an increasingly strategic role in the logic of controlling travel. Whether as a means of applying the "polluter-pays" principle or as a road pricing means or as a traffic regulation solution, motorway tolling is among the series of tools for sustainable development in the transport world. The European concession motorway sector must be heard in this debate.

It has also to be underlined that tolling for sure largely determined, since its origin, the quality and the environmental performances of the motorways' construction. The consequence of this is that a big part of the external cost is already internalized during the building, because of the magnitude of the precautions taken.

The White Paper refers to the difference of charging between LV and HL circulating on the motorways, considered too unfair, compared to the damage caused by the lorries. On the conventional roads, this differentiated charging does not exist. It is worth to remind that the motorway tolling introduces this essential difference between the different categories of vehicles. In the European tolled motorways, the heavy lorries, considered very pollutant for the environment as well as very dangerous for the pavements, pay on average 2,5 or even 3 times more than the light vehicles. It could be suitable of increasing the charging *fourchettes*.

The White Paper mentions the role of pricing as a means to orient transport flows, both through the direct effect of this pricing and through the use of its income to build alternative infrastructures.

This analysis should be pushed further while taking into consideration the diversity of the situations involved. The Commission has always accepted that road pricing could, depending on the choice of the State, be related to the distance traveled or not. Thus some States such as Switzerland, Austria and possibly Germany, collect a lump sum of a fiscal or para-fiscal nature. Paid directly into their budgets, these amounts can thus be allocated to financing alternative infrastructures, especially since the depreciation of the motorways is already covered by the taxpayers.

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On the contrary, in countries that implement the toll concession, the first purpose of tolls is to reimburse investments by calling on users and not on taxpayers. It is thus not possible to use the revenues provided by tolls in an unlimited way without running into serious problems.

In particular, the Commission, while respecting the dual nature of charging approaches, has always excluded the superimposition of both modes. This position was wise and should be maintained. As a central item in B.O.T. type financing, tolling is not destined to become an instrument of a transport policy, just as infrastructure operators are not destined to become tax collectors. Above all, however, the unconsidered combination and superimposition of both concepts can only lead to growing inequalities in the effective price of infrastructure use, which would be contrary to the principle of free movement within the European Union.

Finally, the creation of taxes directly or indirectly based on toll revenues would form a new tax contrary to the principle of controlling public appropriations recommended by the Commission.

➤ The Environmental Stakes.

Motorway concessionaire companies are fully aware of the increasingly essential stakes related to the environment in general and to the development of societal expectations, more particularly as regards greenhouse gas emissions and noise pollution.

The contribution of traffic on concession motorways to CO2 emissions, greenhouse gases, has never been quantified or estimated. However, it is clear that the stock of automobiles and heavy lorries traveling on motorways provide better guarantees (more recent vehicles featuring the environmentally-friendly stamp, better maintained vehicles, circulation with warm engines, long routes, vehicles using fuel that is reputed to be clean etc.) than city vehicles. An overly high average driving speed of these vehicles can, however, temper these advantages and infrastructure managers, will, depending on the orientations set by the public authorities, certainly have to increase their involvement in this area.

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Concessionaire companies will also have an interest in further exercising their responsibility in the area of noise pollution related to traffic since it is the infrastructure that directly focalizes discontent. Should this pollution become intolerable and if no measure to reduce it is adopted, the existence of the infrastructure and thus its sustainability could be directly undermined. The extension of the action of concessionaire companies in this area is thus essential so that they can durably continue to fulfill their missions.

Other major concerns regarding bio-diversity, the conservation of natural environments and landscapes, space consumption, water resources or the use of construction materials from non-renewable deposits have already been taken into consideration by concessionaire companies.

➤ Optimizing the Use of Existing Infrastructures.

This objective must not be limited to just the railway network. It also concerns the motorway network. Many initiatives in this area have led to the implementation of operations re-qualifying the old network not only allowing the conservation of its intrinsic qualities but also its improvement. The concession motorway sector thus has an undeniable advantage in view of the capabilities it has shown in maintaining its network. Additionally, the development of computerized motorway traffic management further optimizes its flow.

➤ Unsafe Roads

The white paper legitimately devotes significant space to road safety without mentioning the performance of concession motorways in this area however.

As regards Europe it is generally accepted that the motorway is four times safer than national roads. This remarkable result corresponds to the continuing commitment of concessionaire companies reflected in:

- setting up a detailed accident analysis department,

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- the organization, several times a year, of safety campaigns specific to the concession motorway network,
- tire pressure checking operations on motorway rest areas,
- improved information and guidance for the drivers.

Concessionaires companies remain also attentive to technological developments likely to further decrease the number of traffic accidents.

Despite the intrinsic qualities of motorway infrastructures, in most cases accidents are caused by the inappropriate behavior of drivers. It seems that controlling the speed of vehicles, whether to improve safety, reduce congestion or decrease polluting gas emissions, is now a necessity from which infrastructure managers cannot escape.

➤ The Interoperability of Toll Collecting Systems.

The interoperability of toll systems is necessary to favor the exchange of people and goods within the European Union. In several member countries this interoperability is already implemented between several concessionaire companies. In the framework of ASECAP and with the participation of the Commission, concessionaire companies are working on defining the interoperability of electronic toll collection systems at every level (contractual, procedural, technical).

Some countries, not members of ASECAP, have joined this approach, but the launch of isolated and non concerted initiatives aiming to set up a use tax, risks reducing these efforts to naught.

Proposals by the Concession Motorway Sector.

The previously mentioned items are the basis on which the concession motorway sector today founds its desire to play a significant role in developing a sustainable and efficient transport system. It should be considered that while in certain aspects sustainable development is a challenge for the concession motorway sector, it also represents a true opportunity to underscore its own particular assets.

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This approach in favor of the sustainable development of transport includes the following commitments:

➤ Set up motorway indicators for sustainable development.

These sustainable development indicators must first be designed to highlight, in the most uncontested way, the resources mobilized in favor of sustainable development and the results obtained in order to be able to evaluate performance. They must thus allow the progress achieved year after year to be demonstrated and thus meet a social expectation which, in the near future, will require that concessionaire companies regularly report their actions and results (environmental reports).

➤ Pursuing the re-qualification of the old network.

This approach has already been undertaken by concessionaire companies either during expansion work or spontaneously. The aim is to better enhance this approach since it reflects a particularly concrete aspect of the principle of continuing improvement which is one of the bases of environmental management and sustainable development.

➤ Encourage the use of low-polluting vehicles on the motorway.

Faced with negative external problems, notably greenhouse gas emissions, it is logical that motorway infrastructure managers resolutely favor the use of high-performing vehicles in terms of emissions by network users. In addition to the actions undertaken by automobile manufacturers or oil companies, concessionaire companies must examine every possible means that could favor the use of less polluting vehicles, notably for the transport of goods.

➤ Incite drivers to adopt environmentally-friendly driving habits.

It is important to draw the attention of motorway users to the consequences of their behavior. Targeted communication campaigns can thus highlight the merits of virtuous or "reasoned"

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driving which garners several advantages:

- gains for the environment around the motorway areas but also for the ozone layer,
- more safety for users,
- immediate savings for drivers due to lower fuel consumption.

➤ Undertake a thought-process with automotive manufacturers.

Pollution (exhaust and noise) is directly related to the intrinsic qualities of the vehicles. Manufacturers have now incorporated this notion into their industrial logic but progress is still possible. It might be useful to jointly think with manufacturers about which means could be implemented to optimize the use of vehicles on the motorway (intelligent vehicles) and to consider with them what resources could be used to further reduce polluting emissions.

➤ Stimulate innovation and the development of new technologies (intelligent highway).

The development of new technologies in the motorway sector will lead to significant fallout in terms of traffic management, safety, information and services to users, emission reductions etc. and thus of sustainable development. The aim, undoubtedly, is to better evaluate possible gains and to ensure that the level of "intelligence" of the vehicles corresponds to that of infrastructure equipment.

➤ Extend the functions of infrastructure developer and manager of concessionaire companies beyond the motorway land itself.

The experience of concessionaire companies in terms of developing and managing conceded motorways deserves to be better used in building and running certain installations (intermodal platforms etc.) directly related to transport infrastructures. This involvement would ensure the joint development of the different better interconnected or combined transport modes as well as consistency with the objectives of sustainable development.

➤ Pursue efforts towards the interoperability of electronic toll collection systems.

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The pursuit of the CESARE and PISTA projects and its progressive implementation should make interoperable the toll systems of countries currently practicing tolling through motorway concessionaires companies.

A concerted action structure must be set up. It will unite these countries and those that intend to set up a user tax in the more or less long term. If this concerted action is not implemented, many interoperability problems will quickly arise, aggravating currently existing problems that are in the process of being solved. The concession motorway sector is willing to provide its contribution to this concerted action.

To this extent the Commission unfairly indicates (p. 74) that “despite its efforts the Commission has not managed to convince operators to achieve interoperability on a voluntary basis and in the short term”. As mentioned above, toll road operators in ASECAP countries, are highly interested and committed in reaching interoperability in the shortest time possible. The responsibility for delays in approving International DSRC standards and achieving interoperability, cannot be assigned to toll road operators.

ASECAP and its members work in the aim of reaching this interoperability, taking into account the investments already realized, as well as the amortization, which are still to be realized.

ASECAP has, in a great number of occasions, expressed its concerns on the lack of progress in the specific area, underlining that the matter becomes urgent due also to the latest developments in the central European countries (EU members and soon to be EU members).

ASECAP finds that the E. Commission's decision to propose in the year 2002 a Directive on the Interoperability of the Electronic Fee Collection Systems is an important step towards the interoperability, provided that ASECAP will be invited to participate in any initiative from the Commission leading to the examination and approval of such a Directive. On that occasion, it is necessary for the ASECAP members to express the results and the developments of the CESARE and the PISTA projects, as well as the realistic limits imposed by their existing tolling systems.

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