



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

**AN ASECAP REFLECTION ON THE HIGH LEVEL GROUP
REPORT ON THE EXTENSION OF THE MAJOR TRANS -
EUROPEAN AXES TO THE NEIGHBOURING
COUNTRIES AND REGIONS**

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1 INTRODUCTORY REMARKS

ASECAP is the European professional Association of Road Infrastructures Operators. It gathers and represents 126 organisations that manage a toll network of more than 24,000 km in 17 countries.

ASECAP follows with great interest the developments in the European transport policy and thoroughly examined the report issued by the High Level Group, which was set up by the European Commission to examine the EU infrastructure network and more specifically the connections between the enlarged European Union of 25 Member States and its 26 neighbouring countries.

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The High Level Group's final report defines five major trans-national axes and recommends a mix of infrastructure projects and simpler measures in order to facilitate the traffic flows between the countries along these axes.

The major axes developed along the report include:

- The recognition of the need for coherence of the transport networks in the EU and its neighbouring countries and the priorities for coordinated and synchronised management within those networks,
- The identification of a number of specific projects and
- The classification of those projects in two categories, i.e. mature ones, thus ready to start before 2010, and the projects of longer term interest, to be developed beyond 2020.

To "facilitate" the whole procedure the report proposes a continuous process of re-evaluation through which, by 2008, a mid term review of the report will be prepared based on the information of the countries concerned. Moreover, by 2010 and regularly thereafter, a complete review of the major axes and projects will be secured.

The report underlines that the funding of transport infrastructures finds enormous difficulties worldwide and that the budgetary constraints will continue to weigh heavily on the public sector's capacity to finance necessary transport investments. The report advances by proposing the examination of the potential of various financing sources and the financing institutions. While underlining that certain type of infrastructure projects can be financed with private capital, the report also stresses that a sound economic analysis is a fundamental requirement to any successful PPP scheme.

Having examined the report and the questionnaire published by DG TREN on the subject, ASECAP expresses the most relevant remarks it raises to the sector it represents along the following paragraphs.

Taking into account the specific institutional and political roles that ASECAP wishes to play for its members within the European transport context, it was decided not to answer to specific issues of the questionnaire, falling out of its range of competences.

2 SOME GENERAL CONSIDERATIONS

2.1 ENLARGEMENT AND GROWTH

The High Level Group report covers in principle the basic priority connections between the newly enlarged European Union of 25 member states and its 26 neighbouring countries.

Undoubtedly, the need for efficient connections with the neighbouring countries is a requirement *sine qua non* for the EU. However, it seems appropriate to take into account that the Enlarged Europe does not yet constitute a unified European transport entity in itself and that the new EU members are still a benchmark of diverging realities. Indeed, for a given transitional period (at least up to 2013), one should take prudent steps and very sensible actions.

The understanding by ASECAP is that it is still too early to design such a comprehensive infrastructure policy to the EU neighbours, given the need for a realistic internal EU reflection on the developments of the ambitious Plan adopted recently, under the Decision 884/2004/EC on the Guidelines for trans European transport networks.

However, ASECAP recognises that the EU has a global role to play and, therefore, a European Neighbouring policy might be adequate to reinforce the European role in the world's socio-economic growth (trade, employment, security, etc) and to develop a sustainable framework of regional and interregional cooperation. To this end a concrete policy in transport infrastructure development should be considered as an integral part.

The choice of the specific five axes appears, correctly, to be mostly a political decision along the lines of the recall of the Lisbon agenda for political and socio-economic growth. Accordingly, it cannot be challenged purely on the basis of transport criteria. This is why ASECAP has chosen not to interfere with such choices, not only beyond its domain of expertise and interest, but also beyond the competences of any other transport related entity.

2.2 POLITICAL AND ECONOMIC CONSIDERATIONS

Answering to the White paper review under preparation by the E. Commission, ASECAP already called the attention for the advantages of initiating a holistic transport concept.

Under this understanding, there is a need to recognise that, in the modern mobility era “transport infrastructures” are the backbone of any field of transport activity.

Efficient road infrastructures, advances in the ITS world, environmental protection, safety and congestion issues, are not separate transport elements. They need to be examined in common, being ingredients of the simple concept: “transport is a service” in the political framework of the modern social mobility.

There is a need to recognise that planning infrastructure networks (basically the ones connecting priorities of two different worlds) is neither simple nor easy.

Financing, building and mainly operating an infrastructure network as the backbone of the European transport policy, requires the fulfilment of a number of preconditions in an era of public funding scarcity.

These requirements should guarantee that the EU and its neighbouring countries understand commonly the transport concept as a “transport service”, (with efficient infrastructures, modern ITS tools, environmental protection, safety and congestion priorities) with quality standards meeting the requirements of the European citizens at a cost that is to be covered either, and preferably, by the user, or by the society or by both.

Therefore, it is to be underlined that a stable and secure political and economic environment should be the foundation for developing an infrastructure policy that needs to be faced as a long termed venture. Although the process has to follow a step-by-step approach, reliable guidelines should be secured, not subject to sudden or too frequent reviews.

While developing this, the public sector will have to continue to be deeply involved in the planning of infrastructures and in the choice of their preferred forms of financing, its role therein remaining crucial for the financial viability of the projects. However, it is noted that the Report touches rather marginally on this point.

ASECAP’s conviction is that further action is needed in order to safeguard an active role of both the Union and National States in reviewing the traditional way of financing through annual public budgeting, that has revealed clearly not suitable as the sole form of funding for a sector that requires commitments over many years, often, many generations.

Furthermore, the role of the financing institutions seems to remain to be set at a mere theoretical level because crucial terms as "priority" axes, "beneficial" projects are not yet commonly interpreted by the public and private sectors, mainly in cross-border projects.

Since the role of the private sector is extremely important a more transparent - though flexible - legislative framework is necessary to stimulate its generalized involvement, following the very successful examples of countries that have developed their networks very rapidly thanks to a strong cooperation between public and private actors; clear rules are necessary to establishing a reasonable allocation of risks (namely by passing some of them to private investors) and to clarify the responsibilities of each set of parties: the public authorities, the private sector promoters and the financing institutions.

In a present situation of generalized budgetary scarcity, the issues of taxation, pricing and charging should be seen as priority ones for political reflection and action. Accordingly, the subject of infrastructure cost should be further developed and the appropriate forms of the charging for their use should be faced as the basic mechanism to combine the objectives of financing the infrastructure with the aim of a better traffic management, offering a better transport service to the European citizens. Indeed, the user-payer principle draws the lines along which demand self-regulation, internalization of externalities and fairness of fund allocation could be more adequately handled.

To this end, the Report covers the role for PPP. However, there is a need to structure an enforcement plan, guaranteeing (mainly for the cross border projects) the rules of reasonable forms of cooperation as the corner stone of the new PPP environment where the rules describing this partnership will be secured.

3 Answer to Question 2

The HLG report outlines a number of measures, so called horizontal issues, are these the most important ones and do the recommendations made by the group help to solve the problems?

ASECAP praises the High Level Group for having stressed the need to take measures to improve road safety considering the extension of the TERN network to neighbouring countries. It is indeed important to take appropriate actions to reach a high safety level in these countries by taking into account factors as diverse as the driver's behaviour, the car, the infrastructure and the traffic management systems.

The added value of intelligent transport systems is also stressed on the report reminding the importance of having harmonized and interoperable systems.

The Commission has financially supported several major projects that promote the deployment of ITS (Intelligent Transport Systems) on the TERN network, within the framework of the TEMPO programme (2001-2006), in which the European motorway companies have been actively involved, as described in the box below.

The following Euro-regional projects are already up and running:

- *The provision of real-time traffic information via Internet in France, Switzerland, Spain, Italy, Baden-Württemberg and Andorra.*
- *Improved data collection through the deployment of optical fibres, weather stations, video systems and counting facilities*
- *The installation and upgrading of information management and traffic centres enabling data and cross-border operation exchange*

There is no doubt that the European framework and EU co-financing have played and are still playing a major role in promoting collaborative work, including experience and basic practice exchanges among the motorway operators of the different Member States.

Take, for example, cross-border traffic management procedures involving France and Spain during major snowfall events these past few winters: the decision to immobilize a large number of HGVs in Spain was taken in under 30 minutes, preventing blockage of the A9 in France and securing huge savings, the cost of closing down the motorway for half a day, being estimated at 150 kEuros.

Such data exchanges also enable the development of cross-Channel information services, particularly useful to transporters. Given, therefore, the traffic data provided by the Highways Agency (UK), SANEF can broadcast regular radio news bulletins on traffic conditions in Kent and on the M25 on 107.7 FM.

In Italy, in the framework of a cross-border Traffic Management Plan, a specific TMP was developed on both sections of the A4 Turin/Milan and of the A21

Turin/Alessandria/Piacenza motorways, aimed at identifying the exact localization of perturbation events and at helping a good distribution of traffic flow.

Along a specific International corridor – the A4 motorway in the Venice area – a system was implemented to increase capacity on the Mestre beltway, which is often packed with in-transit and local traffic.

Autostrade dei Fiori (AdF), the Italian company operating the A10 motorway between Savona and the French border, promoted in the framework of ERPs, investments in road users safety throughout ITS.

The evaluation study carried out by the Italian Ministry Transport showed the good results of the ITS implementation in terms of improvement of traffic management and road safety. Many other examples from ASECAP members could be added.

It is therefore vital to renew ITS deployment on TERN for the period 2007-2013 on the basis of the TEMPO programme results. The projects mentioned in the report should take advantage of and expand on the achievements and results already obtained.

Strengthened by their experience in the matter at hand, the motorway companies consider that the following measures should be adopted:

- The Euro-Regional structure ought to be retained and extended to the geographical area mention in the report of the High Level Group in order to promote collaborative relations amongst European road operators. The division into Euro regions, in particular, has proved highly productive in the developing of cross-border and inter-operator actions;
- Projects should focus on the deployment of traffic management and information services;
- Additional « cross-fertilisation » communication and activities should be stimulated;
- The Programme identity should change in a fearless attempt to meet White Paper demands.

Accordingly, some priority actions are worth promoting, as follows.

3.1 Priority actions

There are still numerous, available ITS options, particularly in what regards to the following aspects:

- Crisis and major event management (e.g., weather-related) via real-time exchanges among operators with contingency-based intervention plans;
- Safety at accident areas via the rapid intervention of the emergency services and of accident prevention systems and devices;
- Making heavy traffic safer by the introduction of speed regulations and media for providing drivers with up-to-the-minute information;
- Making HGVs safer by managing their loads, monitoring hazardous materials and having them respect prescribed distances between vehicles;

- Making tunnels safer for intense traffic;
- Educating drivers as to acquire safer and healthier driving habits.

3.2 "Easy Way"

The making of TEN-T motorways an "Easy Way", should, thus, be faced as an objective worth of pursuing.

The European concessionary motorway companies have offered to develop the Easy Way concept, a long-term objective oriented towards sustainable mobility and the transformation of the TEN-T into an easy way of driving and living.

3.3 Achieving electronic toll interoperability

Electronic toll interoperability is a major objective of ASECAP and all the motorway concessionaires, in their efforts to secure a progressive transition to free flow tolls across all Community networks. They have been working very hard for quite some years now on a CEN standard compatible interoperable electronic toll, and been active participants in all projects of a European dimension aiming to promote cross-border interoperability.

They are heavily involved in the CESARE III project – the third phase of a project launched in 1999 by ASECAP and co-funded by the European Commission – which monitors the interoperability of the EFC systems from a technical and contractual point of view.

On the technical side, their participation in the RCI (Road Charging Interoperability) project is vital to eventually ensure future compatibility between satellite and microwave systems.

Some ASECAP members are also involved in the MEDIA project (interoperability between the five Alpine countries), of which the first operational results are expected in 2006, the same applying to an interoperability full-scale project between Portugal and Spain.

Within this framework, the concessionaires favour a pragmatic approach based on multilateral agreements rather than a theoretical regulatory approach too far removed from reality.

3.4 Controlling traffic growth

The High Level Group report emphasizes that road remains the most important transport mode. One major issue facing motorway companies is the control of traffic growth, in particular on certain major road arteries acting as important European transit corridors. More and more people are using motorways, in a clear tendency that has been confirmed every year.

This predictable increase in traffic should not provoke fears about safety or additional congestion. It is a challenge being taken up by the new Intelligent Transport Systems (ITS) services used by the motorway operators.

ITS applied to motorway infrastructures already contribute to the following:

- Improved motorway safety;
- Reduced travel time;
- Encourage multimode journeys;
- The reduced impact of transport on the environment.

3.5 Improving traffic management on TEN-T most used major road arteries

The European transit corridors of certain strategic transport axes have this much in common: heavy traffic, numerous foreign drivers, bottlenecks, major cargo flows, difficult climatic conditions, peri-urban networks, waves of foreign transit during holidays periods, etc.

The motorway sector is prioritizing relief of these major road arteries, currently being used almost to saturation point. Conclusive experiments carried out on the A7 to relieve congestion reveal the need to intensify efforts in this field: nonetheless, the introduction of such selective measures also queries the capacity of the infrastructures to host an increasing amount of traffic, e.g. from certain extended parts of the concessionary motorway network, in particular in the Rhône valley (the Lyons/Marseilles axis).

The motorway companies are experimenting with the implementation of new road information and traffic management technologies. The creation of traffic management and control measures such as speed regulation, the use of hi-tech information services such as the broadcasting of journey times, and also the development of cross-border cooperation accompanied by traffic management operating plans are indicative of what may be called « intelligent motorway » responses.

The European motorway companies are actively participating in the Euro-Regional projects launched by the European Union. These European programmes have enabled deployment of equipment and measures for traffic and user information management within the framework of cross-border cooperation. They improve the quality and continuity of the services network-wide and embody an effective reply to the issues of road safety and congestion reduction.

3.6 Facilitating mobility for all

To facilitate travel and increase mobility, motorway companies innovate constantly. The most spectacular change along these past few years has involved the exponential growth in the media at the clients' disposal prior to their departure and during their journey. Radio traffic information, variable message signs – pioneering innovations when they first appeared, over fifteen years ago now – and the latest Internet-linked applications, have all combined to make traffic management more effective.

New technologies – in the form of electronic toll systems, in particular – have also greatly influenced automatic toll-collection. Subscription systems, are affording drivers timesavings and additional comfort, and improving traffic flow.

All these innovative systems are being deployed as part of the sustainable mobility strategy adopted by the European Commission in its White Paper, but it is also clear that the European motorway companies are indispensable players in the construction of this European sustainable transport system. Along with Brussels, they are responsible for the development of a homogeneous and continuous road environment, with appropriate levels of service and safety, across the whole of the trans-European network. This explains their commitment over the past ten years to Euro-regional projects and, more recently, to projects concerning the interoperability of the toll systems.

3.7 Safety as a prime feature of tomorrow's motorways

Driven conjointly by the European Union, the increasing popularity of the communication technologies and customer demand, the motorway concessionary companies, along with the numerous actors in the field of road transport, are now preparing the next generation of motorways.

Its prime features will be an ever more extensive European network and *à la Carte* service offer. If these changes are predictable, they are also difficult to develop and deploy because of the number and diversity of participants and the implied high financial stakes.

The motorway operators are pulling out all the stops to ensure that all citizens, wherever they live in Europe, will be able to travel safely, fluidly, and thus ... serenely.

In 2020, motorways should enable users to:

- Dispense with border-stoppage time thanks to a single ETC badge
- Receive real-time local information in their vehicle
- Effortlessly organise journeys necessitating different modes of transport

It is ASECAP's strongest conviction that these goals will be reached thanks to the European framework and EU co-financing which are playing a major role in promoting collaborative work, including experience and basic practice exchanges among the motorway operators of the different Member States.

4 A CONCRETE ANSWER TO QUESTION 3

Infrastructure Financing and PPP

The High Level Group report underlines the urgency of establishing stronger financing mechanisms. However, the questionnaire does not recognise the full complexity of the matter. For the questionnaire “financing transport investments is just a headache”.

The issue is not just a headache and, accordingly, the aspirins of the Report are not a medicine.

At the present, financing an infrastructure network that goes beyond the national priorities answering to a really Pan European dimension is a heavy and complex disease, thus demanding serious remedies, difficult political and complex economic choices for a drastic and speedy recovery.

So, ASECAP suggests – when acting – that all the political action along the transport sector should take into account that the following basic principles:

- *Infrastructure planning is not a theoretical exercise. Society does not need maps. Society needs roads.*
- *Roads should be built.*
- *There are no free roads. Roads are expensive to build, to operate, to maintain.*
- *Knowing that just the construction cost per km of a “normal” motorway raises from around 6.5 MEuros, to 20 MEuros in a mountain landscape, over 25 MEuros for bridges and over 60 MEuros for tunnels, leads to the perception that “the cost is too high to be neglected and impossible to be born solely by the public budget”.*
- *The active involvement of private capital and the financing institutions will clearly demand a stable political, social, economic framework based on the simple concept that the “infrastructure space should be rationalized and to this end a fair, efficient and flexible price mechanism should be introduced and respected”. To this end, the establishment of an Investment Fund as suggested by the High Level Group in its Report, to be financed by the revenues generated through user charges, goes along a very wrong direction when taking into account the basic principles of an open and socially oriented market. In order to deal with those sensitive European regions, where the scenario is not yet mature for the application of the above principles, some well-identified but exceptional remedies should be agreed and accepted.*