

**Cross Israel Highway
Road 6
A success story /
Lack of Interoperability**



**Boston, MA
July 25, 2016**

#420104/1

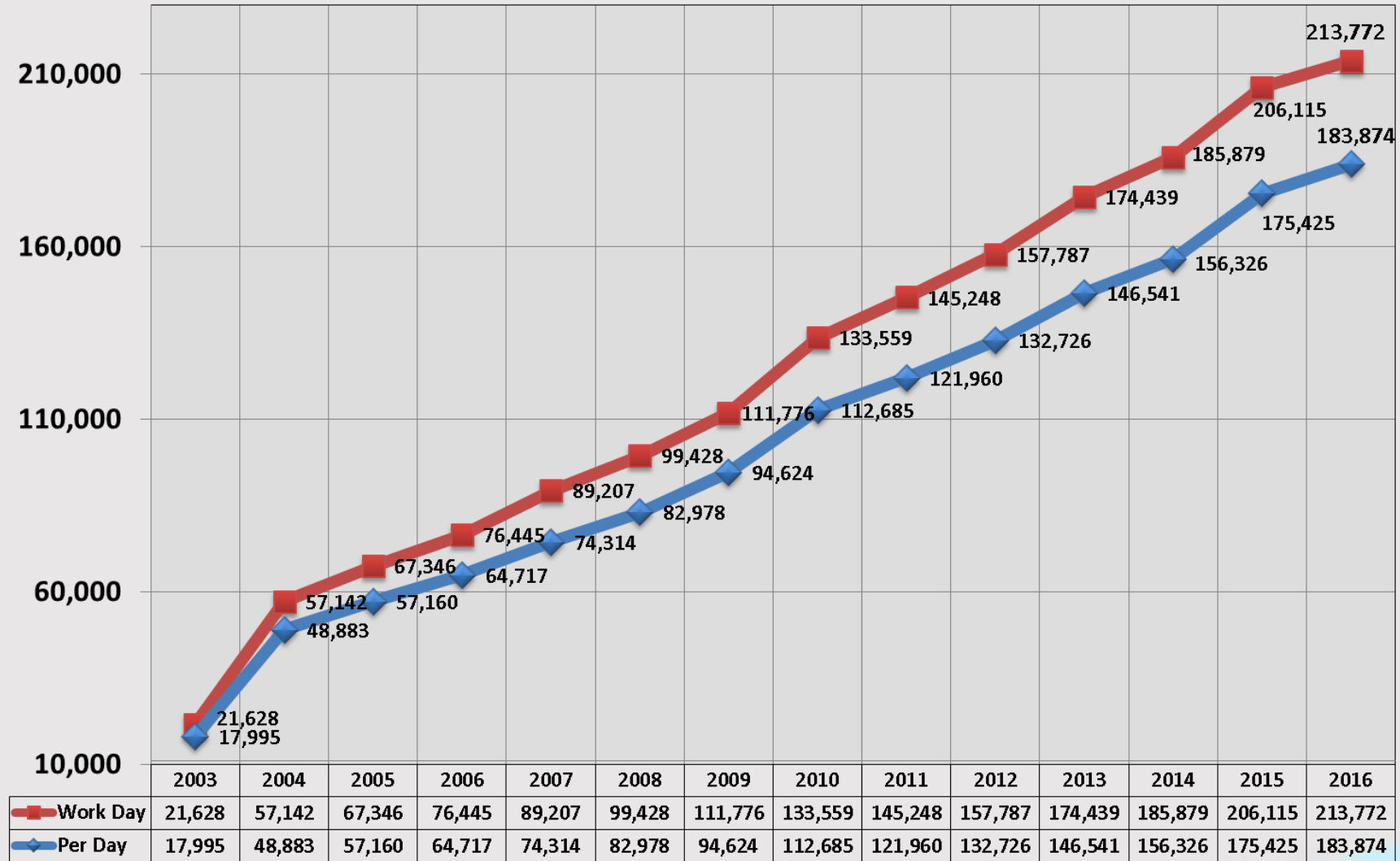
Highway 6



Project Fundamentals

- MLFF - Multi-Lane-Free-Flow
- No registration necessary before using the highway (!)
- Duration of concession - 30 years
 - 5 years - Construction
 - 25 years - Operation and maintenance
- State takes traffic risk
- Concessionaire takes collection risk!
- Customer satisfaction is 1st priority

Traffic Data, Avg. Trips per year



* 2016 data are updated until June 30

Main Construction Elements

- 140 km highway
- 14 Interchanges
- 140 Bridges
- Two-way tunnels of more than 1 km length in general
- O&M Center
- Free-Flow All Electronic Toll Collection System
- 20 toll sites (10 for each direction)

Traffic Data

- Full operation commenced = January 2004
- Avg. trips per weekday ~ 215,000
- Avg. trips per month ~ 5,500,000
- **Total number of Customers ~ 3,500,000**
- **Registered customers = 1,500,000** (580,000 OBU)
- % Trips made by Registered OBU customers ~ 62%
- % Trips made by Registered Video customers ~ 28 %

Billing, Self-Service and CRM Data

- 3 Billing Cycles per month
- Total billing products per month ~ 750,000
- Total Website Subscribers ~ 560,000
- Avg. incoming calls to the IVR ~ 250,000
- % Collection for the past 12 months = **99%**

Interoperability Issues

- Tender requirement caused State to issue separate bid for Northern highway - including billing and customer service
- Billing could have been separated, but was not, due to concern that Derech Eretz would become a monopoly
- This was an error: Now subscribers and customers will receive two invoices for one trip
- The two concessionaires have not been able to reach agreement on cooperation
- Lesson to be learned:
 - Interoperability obligation must be included in tender

Technical challenges

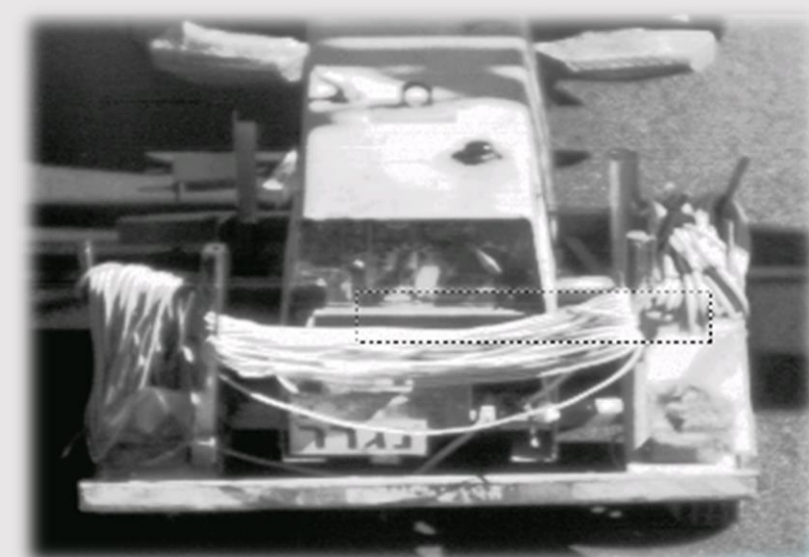
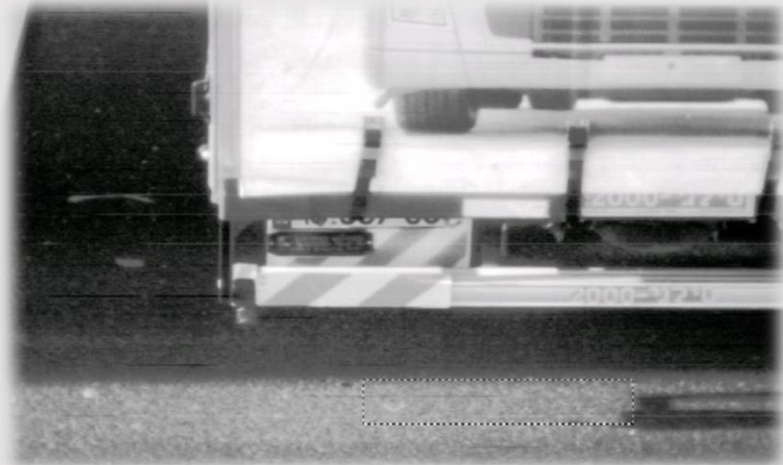


Our problem - Casual Users

Solution must be tailored to national /
local requirements in all aspects:

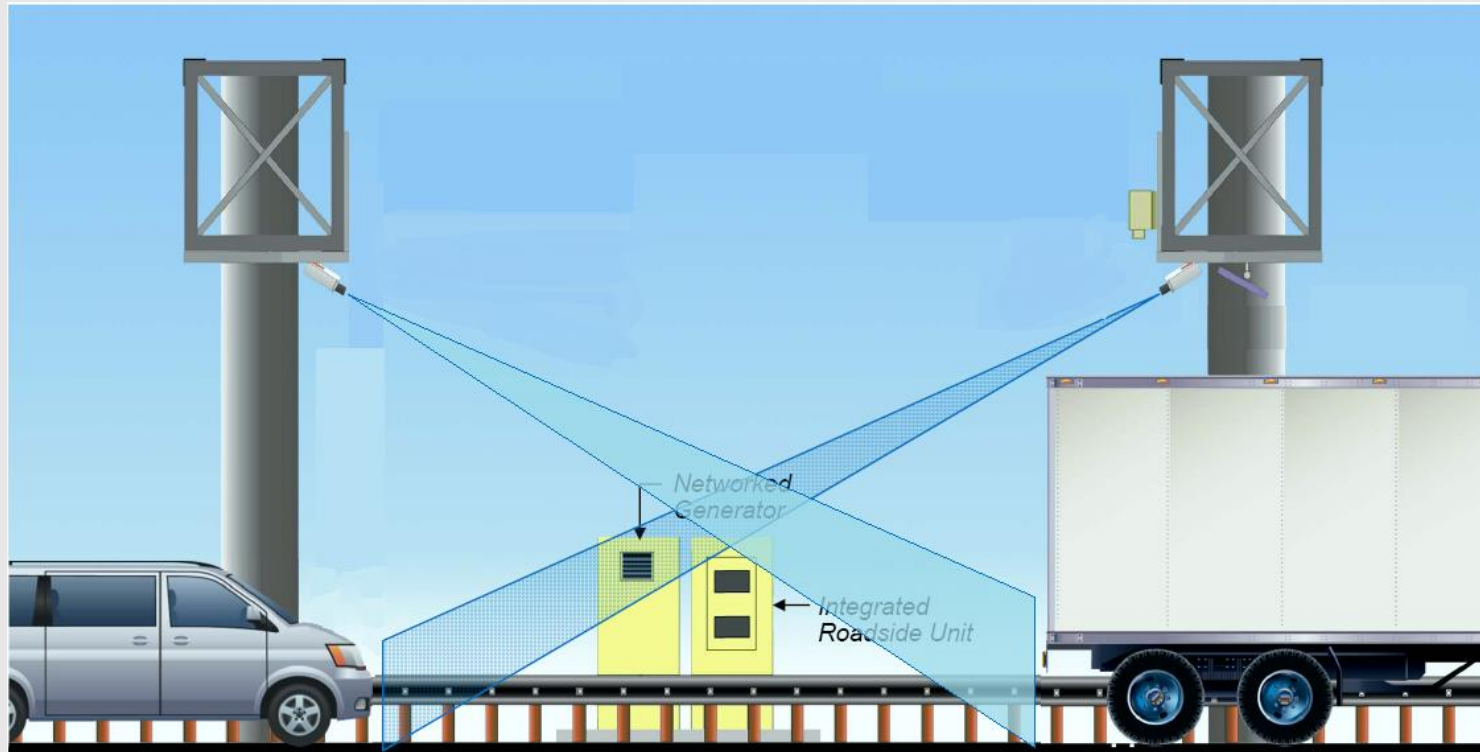
- Legal framework
- Technical feasibility
- Administrative needs
- Financial capabilities
- Service implications - customers

Technical challenges



State of the art solution

- Front and Rear Image Capturing in order to minimize toll collection leakage and maximize automated vehicle identification.



Frontal Imaging Advantages

- Provides Truck Owner billing vice Trailer owner Billing by acquiring front truck plates
- Higher overall OCR rate with the ability to produce a plate answer with both front and rear images
- Integrated system to provide both front and rear imaging in a single correlated transaction
- Reduced operational expenses via higher OCR performance and less human reads
- Ability to selectively transmit front images to back office (based on CIH business rules)

Thank you for your attention

Ehud Savion - CEO

Tel: 972-39151403

Fax: 972-39036245

E-mail: savione@derech-eretz.com

www.derech-eretz.com