



TOLLING. MOVING SMARTER.

TOLLING NEWSLETTER

A Scan of Toll Road Development Around the Globe



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ABOUT IBTTA

The International Bridge, Tunnel and Turnpike Association (IBTTA) is the worldwide association for the owners and operators of toll facilities and the businesses that serve them. Our mission is to advance toll financed transportation. Each year the association engages thousands of transportation professionals from toll agencies, concessionaires and allied businesses through educational meetings, knowledge-sharing and advocacy. Founded in 1932, IBTTA has members in more than 20 countries on six continents.

INTRODUCTION

Looking at recent tolling developments around the world, it's clear that a major concern for most regions is financing—mostly due to shrinking public resources and budgets. Stakeholders and policy-makers around the world face multiple challenges during a time of economic uncertainty. They must find money to build, improve, and maintain road infrastructure; and they must attract private investors to finance road infrastructure projects. Across the board, the most obvious solution to fund sustainable road infrastructure is the application of tolling policies, based on the user-pay principle. Tolls provide users with sustainable mobility, through the creation of efficient, safe, smart, high-quality road networks.

This newsletter offers a brief overview of worldwide tolling industry developments and trends, underlining the aspects and elements IBTTA members share. These are built on a common understanding that the goal of sustainable mobility can be achieved through general acceptance of user-financed transportation.



EUROPE

Financing and building future infrastructure to better connect Europe and stimulate growth

At the end of 2012, the European Union's institutions were asked to vote on legislative dossiers concerning transportation. In particular, the European Parliament Transportation Committee voted on two proposals for regulations: the so-called Trans-European Transportation Networks (TEN-T), and the Connecting Europe Facility (CEF) initiative. The two

legislative dossiers are linked, in that the CEF represents the financial and funding structure on which the new TEN-T will be developed over the next seven years (2014–2020) in Europe.

The proposed financial package for the CEF amounts to a €50 billion investment in projects to improve Europe's transportation, energy, and digital networks. Within this framework, the CEF represents a key initiative for delivering sustainable growth and jobs. The CEF will concentrate on high value-added projects for the EU that remove bottlenecks and fill the missing links in Europe's energy, transportation, and digital backbone. And by focusing on less-polluting transportation modes, the CEF will push the EU transportation system toward greater sustainability. It will help to build the roads, railways, energy grids and pipelines, and broadband networks that are so important to EU citizens and businesses. The goal of the CEF is to help close the missing links in Europe's infrastructure networks, which otherwise would not be done. This investment will generate growth and jobs, while making work and travel easier for millions of European citizens and businesses.

Fair and efficient road pricing

The European Commission launched a public consultation for citizens and stakeholders on fair and efficient road pricing. Through a questionnaire, participants were asked to provide their input on future European legislation regulating road pricing. The consultation results were presented during a conference in Brussels in December 2012, with the participation of several representatives of the tolling industry. During the discussion, it was clear that the EU institutions are gradually moving toward establishing a wider harmonized road pricing system in Europe, based on user-pay/polluter-pay principles. In one conference session, the European Commission said that as vehicles become more energy efficient, using more alternative fuels and propulsion systems, revenues from fuel excise duties will fall. Combined with budgetary constraints, this will seriously hamper governments' capacity to finance transportation infrastructure via taxes in coming decades.

User-pay systems can provide an alternative, sustainable source of financing, while attracting private investors through public-private partnerships to maintain good quality infrastructure. This is a key asset for the competitiveness of the EU economy.

Road pricing can guide policy-makers toward more sustainable transportation choices by allocating the social costs generated by transportation to the users. The EU must also harmonize the various pricing systems along the trans-European network to allow users to be treated equally, independent of the country and route where they travel. No new legislative proposals on road pricing have been tabled by the EU institutions as yet, but this will likely change in the second half of 2013 or the beginning of 2014.

Regional interoperability in electronic toll collection

After two legislative acts were adopted in 2004 and 2009, the European Union decided to set up a legal framework aimed at introducing a wide, harmonized electronic toll collection (ETC) system applicable to the whole EU territory.

The goal of the European Electronic Toll Service system (EETS) is to eliminate barriers to interoperability of electronic fee collection in the EU. This will reduce the burden for road users, enable cost-effective deployment of tolling services, help create a Europe-wide market for tolling equipment, and increase public acceptance of charging policies—all of which will contribute to key transportation policy objectives, notably the financial sustainability of the trans-European network. The EETS system was to be launched in October 2012, but the European Commission realized this would not be possible, partly because of application delays in some EU countries, but primarily due to a lack of registered EETS providers on the EU tolling market.

Given the legislative consequences of not having fully applied a European Directive and a European Decision, the EC launched a call for interest in late November 2012 for projects that would take a stepwise regional approach to EETS deployment, while taking into account the future need for full European coverage.

This regional EETS will be required to cover toll domains with large volumes of international traffic, as specified by the European Commission. Some European representatives of toll chargers (some of whom are also members of the European Association of Toll Road Concessionaires [ASECAP]) are working on a project proposal.

Focus on some European countries

Several projects are under way in Europe, involving new construction or improvement and enlargement of existing road infrastructure.

In the UK, the focus is on building the Mersey Gateway, one of the country's most important infrastructure projects. The government of the UK has listed the road among the top 40 priority projects in the National Infrastructure Plan, and KPMG has included it in the top 100 infrastructure projects worldwide. The project will include a six-lane toll bridge across the River Mersey, and a new tolling system on the existing Silver Jubilee Bridge. It will create new jobs, while fostering regional economic growth.

The Halton Borough Council has asked project bidders to submit offers by the April 10. Selection will take place in June, with construction beginning by the end of the year. The overall value of the contract is almost US\$910 million, and project revenues are expected to reach nearly US\$3 billion over the next 30 years.

In Spain, the Minister of Infrastructure issued a construction tender this year for new road and rail routes to the Port of Barcelona. The road portion of the planned construction, which will link the Ronda Litoral with the Port of Barcelona, will amount to nearly €180 million, and will likely be developed through a public-private partnership (PPP).

In Italy, a very important project has been taking place along the *Autostrada del Sole*, in the region between Florence and Bologna. This is a strategic region for Italy, linking the country's central and northern regions through the Appenine Mountains. The nearly completed project aims to realign an A1 highway section of nearly 70 kilometres, through the construction of 23 viaducts and 22 tunnels. The main objective is to reduce travel times between Bologna and Florence, reducing congestion and fuel consumption. The 19.4-kilometre section between Sasso Marconi and La Quercia is already open to traffic.

In the Czech Republic, the Transport Ministry is dealing with the construction of highway section D11, connecting the Czech capital, Prague, to the city of Hradec Kralove. This follows nearly 17 years of land expropriation disputes. Construction of D11 actually began more than 30 years ago, and part of the road is already in use, but the remaining 70-kilometre stretch to the Polish border has not yet been completed. This is vitally important, as it will link the Czech Republic to its neighboring states.

In Ukraine, at least 90% of the national road network is in need of major overhaul. For this reason, the Road State Agency *Ukravtodor* is carrying out a repair program at a cost of nearly UAH13 billion from 2014–2018. In Russia, a highway connector is under construction to link Helsinki to the Russian territories across the Finnish border. The construction work is being carried out by two Finnish companies, *Yit Rakennus* and *Destia*, through an ad hoc consortium named Pulteria. Part of the new connector is scheduled for completion in 2013, while another section on the western side should be finished in 2014. The entire contract amounts to more than €20 million, and construction will continue until 2015, followed by maintenance until 2026.



UNITED STATES

Tollways growth in Texas, end of cash toll collection in Massachusetts, road toll conversion in Maine

In Texas, new toll roads will ensure that Austin's Bergstrom Airport is well connected. The Texas Department of Transportation has announced its intention to fund a two-mile tollway outside the Austin airport on State Highway 71, to complete expressway-standard connections to the 130 tollway. This US\$141 million project will provide 2x3 elevated toll expressway lanes from the Austin Airport Access to the 130 interchange, which provides smooth, speedy north-south access up to the eastern edge of the Austin metropolitan area.

The Texas DoT has also chosen a consortium for a \$1.37-billion project to improve transportation connections near Dallas. The consortium will be led by Cintra Infraestructuras, with the participation of the Dallas Police and Fire Pension System and the French fund, Meridiam Infrastructure. The contract will focus on the design, construction, financing, operation, and maintenance of the North Tarrant Express expansion. The contract will extend 43 years from the date the link is opened to traffic, scheduled for mid-2018.

While Cintra Infraestructuras will deal with the development of the 3A stretch (10.5 kilometres) and the operation and maintenance of the 3B stretch, the Department of Transportation will be responsible for construction of the 3B stretch (5.8 kilometres). The consortium will remodel and improve existing lanes, which will remain toll-free, and will build two new lanes in each direction that will remain barrier-free for ETC. After construction is complete, the consortium will take over operation and maintenance of the entire road.

In Massachusetts, the Department of Transportation announced its commitment to all-electronic toll collection (AET) by 2016. To demonstrate the upcoming system and help users become familiar with AET, the Tobin Bridge will become a cashless facility. Part of the toll conversion will focus on establishing reciprocal agreements with the neighboring states of New Hampshire and Maine, aimed at supporting each other's toll collection and enforcement activities. Using AET systems with the most up-to-date technology is the most cost-effective way to collect tolls, while reducing road delays and improving road safety at toll plazas. A cashless future in toll collection is also foreseen for Maine, where the New Gloucester toll plaza was scheduled to introduce open road electronic toll in early April. The toll plaza area will have one high-speed lane in each direction, and will offer four times the capacity of a stop/roll-through toll lane. Three cash lanes in each direction will manage toll transactions for drivers with E-ZPass[®] transponders.



SOUTH AMERICA

New plans for road infrastructure projects

South America's tolling industry is seeing progressive change as well, with some governments planning investment in road infrastructure while working to attract private capital.

In 2013, Brazil intends to launch a call for tenders aimed at transforming more than 1,000 kilometres of roads into dual carriageways. The overall investment is expected to be US\$3.57 billion.

Brazil's Transport Infrastructure Department will undertake related projects involving some of the country's main road connections. The government invested more than BRL\$10 billion in

road infrastructure in 2012, and has budgeted BRL\$14 billion for 2013.

In Chile, the Ministry of Public Works is currently analyzing proposals to design and build the Chacao Bridge, a new piece of infrastructure that will link Chiloe Island with the Chilean region of Los Lagos. A short list of companies and consortia have pre-qualified, the Ministry is scheduled to award the contract in early 2014, and work will begin in 2015, with the objective of opening the bridge in 2019. This project will create jobs and contribute to regional economic development through better transportation links to Chile's mainland.



ASIA AND OCEANIA

Road projects to be developed in Australia, New Zealand, China, and Indonesia

In Oceania, the Australian Capital Territory Government has issued a contract to the Australian engineering and consulting company, SMEC, for the Horse Park Drive extension in Canberra. SMEC is also working on upgrades to intersections in New

South Wales. This project aims to increase road safety for motorists, cyclists, and pedestrians, through improvement and upgrades to existing road infrastructure. SMEC will also provide site management, traffic management, environmental monitoring, earthworks, drainage, pavement construction, sealing and asphalt, and landscape services.

In New South Wales, Australia, Sydney's M2 Highway, owned and managed by Hills Motorway Ltd., is being widened. This 21-kilometre link between the two major employment hubs of Macquarie Park and Norwest Business Park is used by more than 100,000 vehicles and nearly 27,000 bus commuters during the work week, and also plays an important role in freight transportation. The Australian government's 2010 Metropolitan Strategy focused particularly on improving the efficiency of Sydney's transportation network to contribute to the region's sustainable social and economic development. Road infrastructure projects will also create better connections in Auckland, New Zealand. Located on a narrow isthmus between the Pacific Ocean and the Tasman Sea, and surrounded by a hilly region containing extinct volcanoes, Auckland's city center faces challenges in linking its extended urban area. New Zealand's overall road system has fallen into disrepair in recent years due to limited government investment in existing infrastructure. By 2010, the state had identified seven critical road corridors, including the Victoria Park Tunnel in central Auckland and completion of the Western Ring Route, an alternative route to State Highway 1 between northern and southern New Zealand. The government plans to complete these projects by 2020.

In China, the city of Wuxi intends to invest US\$1.28 billion in 2013 to improve and upgrade several dangerous bridges and bus routes. Roads will open to traffic by the end of 2013. Hunan Province has an investment of nearly US\$28 billion in 2013 to build 1,000 kilometres of new highways. A huge highway expansion—comprising at least 37 new roads—will increase total highway capacity by more than 25%. In Indonesia, work is scheduled to begin this year on the Trans-Sumatra Toll Highway. Under contract with Indonesia's Ministry of Public Works, Hutama Karya will build 24 toll roads. In 2014, the Ministry plans to fund nearly US\$784 million in road infrastructure projects, including the Trans-East Sumatra Road and the Manado Ring II project.



AFRICA

Key road projects in Tanzania and Sudan

The Australian engineering and consulting company SMEC is also involved in a US\$2.25 million project to supervise the design and construction of rural roads in Tanzania. The Tanzanian Ministry of Finance awarded the contract to improve connections between the regions of Morogoro, Iringa, and Ruvuma. The project will remove bottlenecks, improve pavement conditions, and ensure the maintenance of more than 58,000 kilometres of rural roads.

SMEC will plan the improvement program in conjunction with local regional authorities, drafting tender documents and providing tender assistance, then supervise construction of the roads.

In Sudan, the 192-kilometre Juba-Nimule Highway needed complete reconstruction to meet international standards and fully accessible to all users. This road connection between South Sudan and Uganda had been practically abandoned during the long civil war, and was littered with landmines. Group Louis Berger, the contractor awarded the project, decided to treat the pavement with a double bituminous surface to ensure durability and support long-term maintenance. The Juba-Nimule Highway is strategically important to Sudan, reducing travel time and improving access to markets that provide basic services to the population.

INTERNATIONAL TOLLING INDUSTRY EVENTS

- Philadelphia, Pennsylvania, USA, 14-16 April 2013
IBTTA Transportation Finance and Mileage-Based User Fee Symposium - www.ibtta.org/philadelphia
- Portland, Maine, USA, 19-21 May 2013 – **IBTTA Operations and “MAINE”tenance Workshop**, www.ibtta.org/portland
- Beijing, China, 15-17 May 2013 – **VTI International Conference, “Road Safety in Four Continents,”** <http://www.vti.se/RS4C>
- Leipzig, Germany, 22-24 May 2013 – **International Transport Forum Summit**, <http://www.internationaltransportforum.org>
- Dubrovnik, Croatia, 26-28 May 2013 – **Annual ASECAP Study and Information Days**, jointly organized by ASECAP and HUKA, the Croatian Association of Toll Concessionaires, www.asecapdays.com and www.asecap.com
- Geneva, Switzerland, May 31-June 7, 2013 – **World Tunnel Congress ITA-AITES**, <http://www.wtc2013.ch/home.html>
- Dublin, Ireland, 4-7 June 2013 – **Annual European ITS Congress**, <http://www.itsireland.ie/slide/slide-one>
- Vancouver, Canada, 22-25 September 2013 – **IBTTA Annual Meeting & Exhibition**, www.ibtta.org/vancouver
- Deauville, Normandy, France, 27-29 October 2013 - **IBTTA International Technology Workshop**, with a special joint session ASECAP/IBTTA, www.ibtta.org/normandy
- Andorra, 4-7 February 2014 – **PIARC International Winter Road Congress**, www.piarc.org



Viabilité hivernale en temps de crise
Winter maintenance in times of crisis



XIV^e CONGRÈS
INTERNATIONAL DE LA VIABILITÉ HIVERNALE
du 4 au 7 février 2014

XIVth INTERNATIONAL
WINTER ROAD CONGRESS
February 4th to 7th 2014

Andorra
2014



GLOSSARY

AET: All-Electronic Toll Collection

PIARC: *Association Mondiale de la Route* – World Road Association

ASECAP: *Association euro penne des concessionnaires d'autoroutes et d'ouvrages à péage* – European Association of Operators of Toll Road Infrastructures

EBRD: European Bank for Reconstruction and Development

EC: European Commission

EIB: European Investment Bank

EGNOS: European Geostationary Navigation Overlay System

ERF: European Union Road Federation

EP: European Parliament

EU: European Union

GALILEO: European satellite navigation system

GNSS: Global Navigation Satellite System

HOV lane: High Occupancy Vehicle lane

IBTTA: International Bridge, Tunnel and Turnpike Association

ITF: International Transport Forum

ITS: Intelligent Transportation Systems

OBE/OBU: On Board Equipment/On Board Unit

OECD: Organization for Economic Cooperation and Development

ORT: Open Road Tolling

PPP: Public-Private Partnership

TEN-T: Trans-European Transport Network

UNECE: Economic Commission of the United Nations for Europe