

Evaluation and future of road toll concessions



European Economic and Social Committee



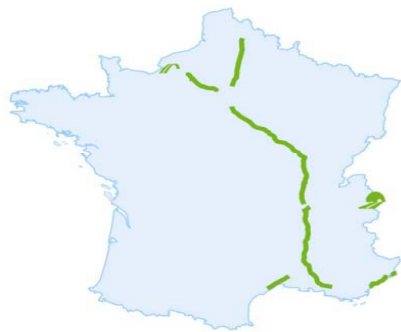
ASECAP CONFERENCE ON CONCESSIONS, EESC 30 MARCH 2015

The growth of the network

- A founding law in April 1955
 - Authorization to grant concessions to build and operate motorway infrastructures
 - First bricks and initial growth of the network in the 60s and early 70s
 - Oil crisis in the 70s: some turmoil, which did not prevent the system to develop
- At the start of the 90s, the maturing network backed the funding of a major investment plan to complete the network from 3.733 km at the end of the 70s, to 7.365 km in 1999
 - No public funding for this extension
 - Process known as **the “adossement”**



1961
48,5km



1969
1 010km



1979
3 733km



1985
5 515 km



1999
7 365km

9.000km built through concession tolling

- Concession is a long-term contract between the government and a private or public-owned company
- The concessionaire bears most of the risks
 - construction costs
 - traffic
 - exploitation and maintenance
- Refund of the investments and maintenance expenses is provided by toll, which is a fee for road usage

Concession has enabled the completion of a mature inter-urban network in France



Capitalizing on an efficient system

- Mature concessions of existing toll-roads naturally create a favorable environment to be efficiently leveraged to fund development and modernization of the network
 - efficient mitigation of risks for green-field projects
 - significant cashflows potentially available
- The “Adossement” (backing scheme)
 - funding of new investments, beyond those contractually due,
 - to enhance security,
 - to better irrigate territories
 - and to better protect the environment
 - cashflows from mature sections finance new sections, with lesser traffic potential, without draining public funding

The “green investments package”

- A first deal in 2009: “Paquet Vert”
 - funding of environmental improvement works on oldest highways
- A powerful tool for investment
 - one year extension of contract for 5 motorway companies in exchange of over 1 billion € worth of works
 - agreement approved by EC

↗ 1 271 P+R
Parking spots



↗ 50% of rest and
service areas
modernized



↗ Traffic
management
704km



↗ Noise:
880 housings
271km pavement



↗ Water :
277 sites



↗ 387 lanes



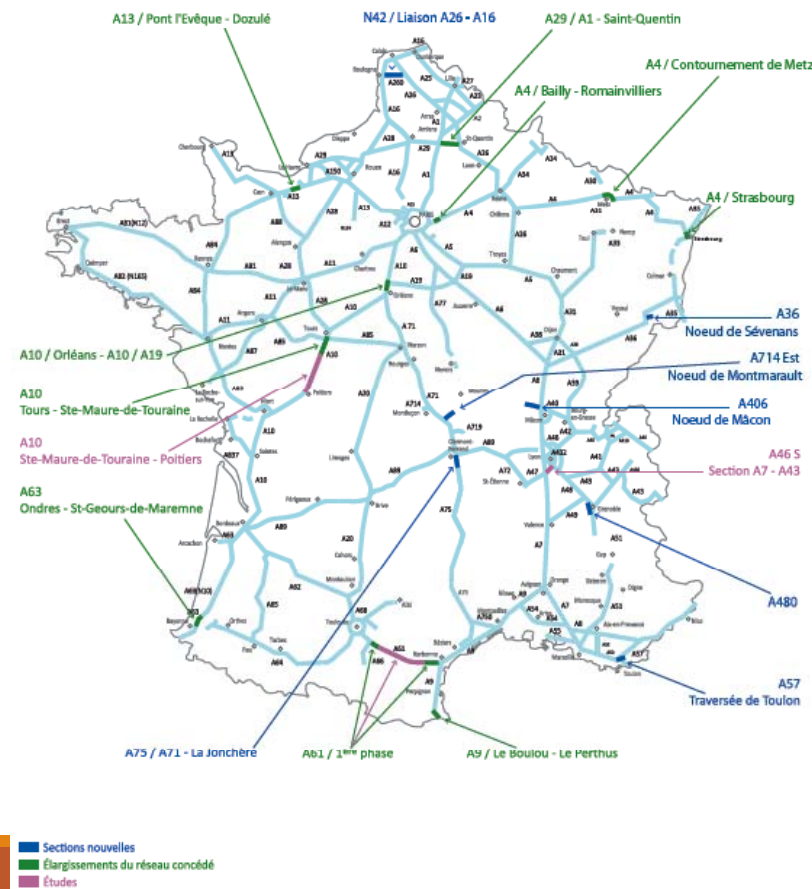
↗ Biodiversity
42M€ invested



The French Motorways Stimulus Plan

Plan de Relance Autoroutier

- The objective: to make a significant contribution in favor of economic recovery
 - highway lanes widening
 - express lanes upgrades and transfers
 - realization of small links by “adossement”
- A 3.2 billion € package
 - In exchange of 2 to 6 years extension of concession contracts
- A powerful tool for investment not affecting public budget,
 - Agreement reached with French authorities
 - Notified to EC on May 19th 2014, approved on October 28th



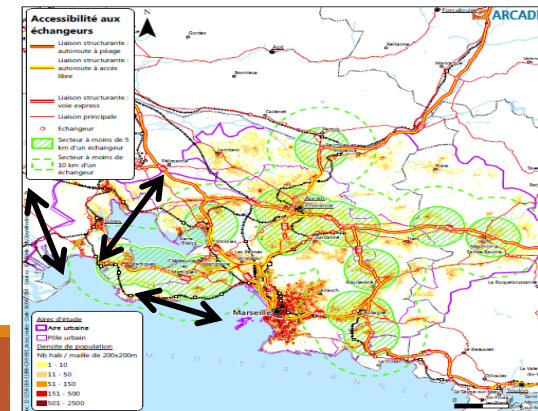
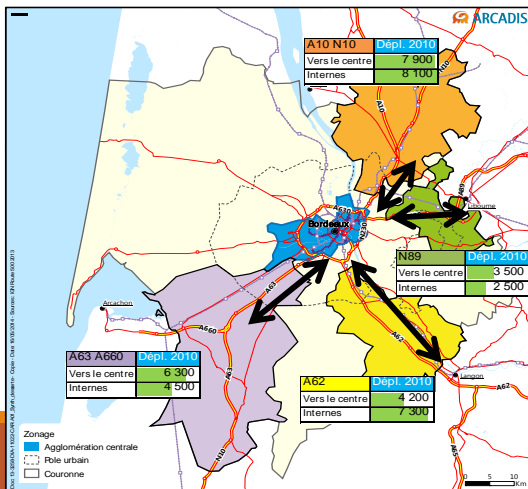
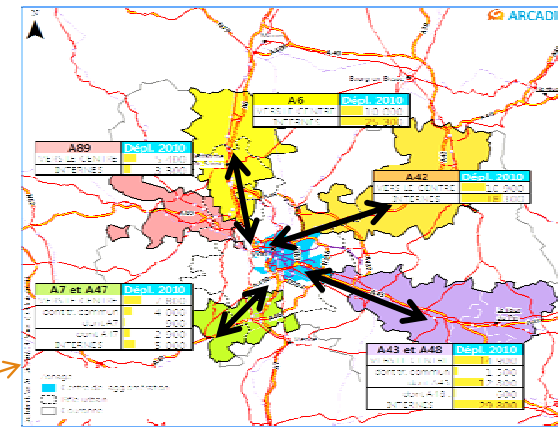
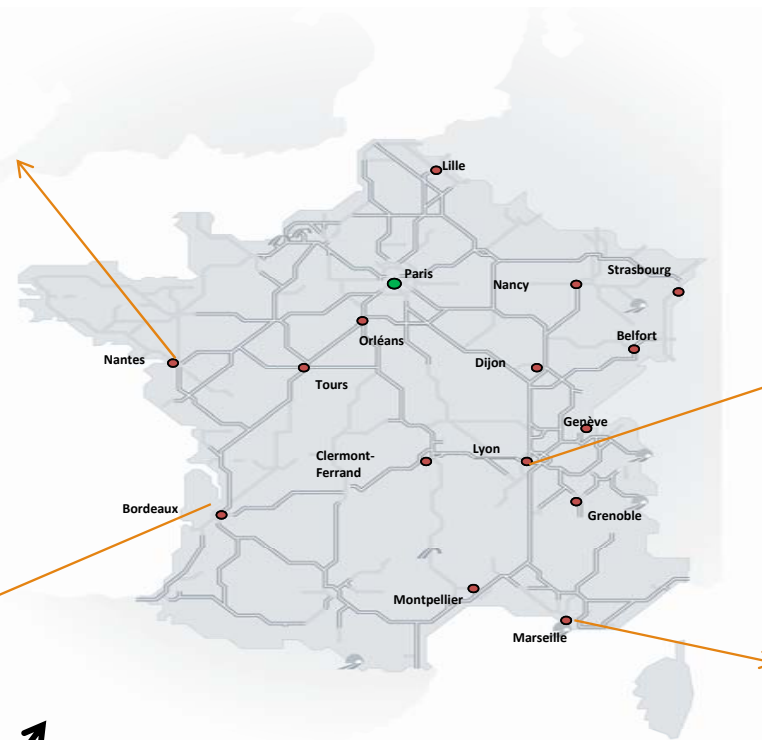
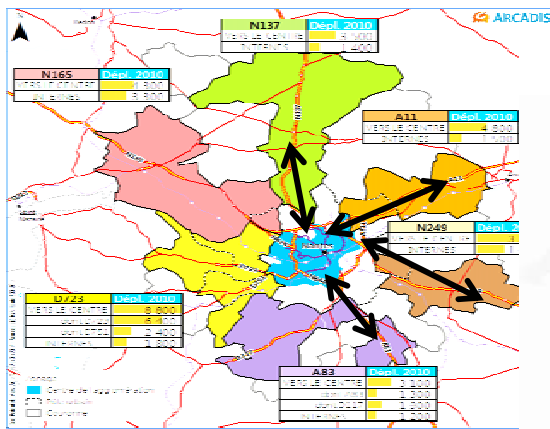
ASFA - 13 mars 2015

A mature network, which needs further investments

- Optimizing motorway network
 - missing links
 - congested sections capacity e
 - urban ring roads
- Developing multimodal approach for highways in periurban areas
 - favoring mass transit on motorways
 - HOT lanes



Roads and highways will foster sustainable periurban mobility



New Express lane proposal

Adossement: a win-win scheme

- Mature concessions are attractive tools for funding new investment
 - good visibility on revenues taped to fund new investments
 - enhance toll acceptability when profits begin to rise for mature concessions
 - foster solidarity and equality in a country with a large territory and uneven demographics
- A win-win scheme
 - funding of new investments needed to develop the network and enhance sustainable mobility
 - no tax money used for the infrastructure
 - allows to avoid long lasting new concession contracts with high tariffs
 - targeted investments to be launched quickly and designed to foster economic recovery



Thank you for your attention