

# Evaluation and future of road toll concessions



**European Economic and Social Committee**



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# 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
  - 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



Noise:  
880 housings  
271km pavement



Water :  
277 sites



387 lanes



1 271 P+R  
Parking spots



50% of rest and  
service areas  
modernized



Traffic  
management  
704km

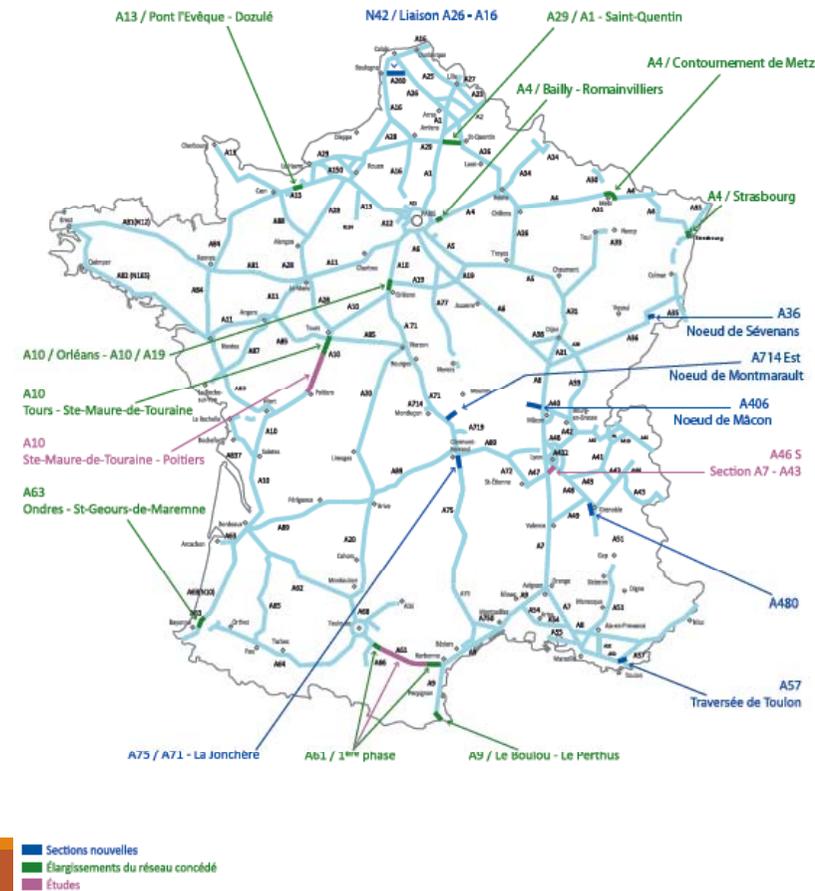


Biodiversity  
42M€ invested

# 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 19<sup>th</sup> 2014, approved on October 28<sup>th</sup>

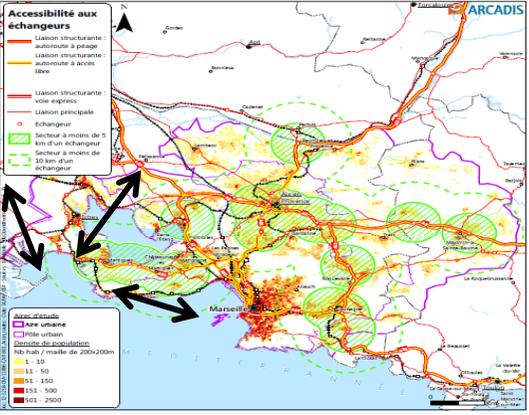
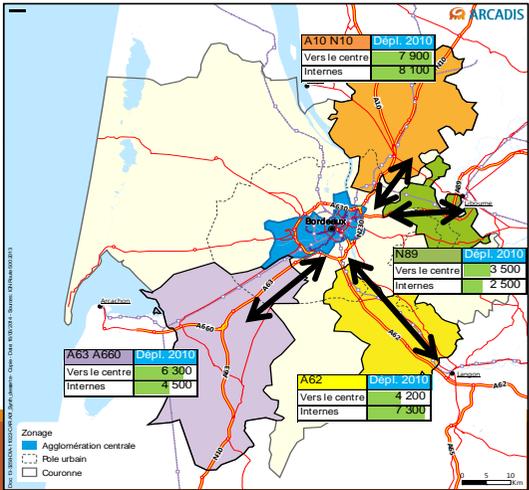
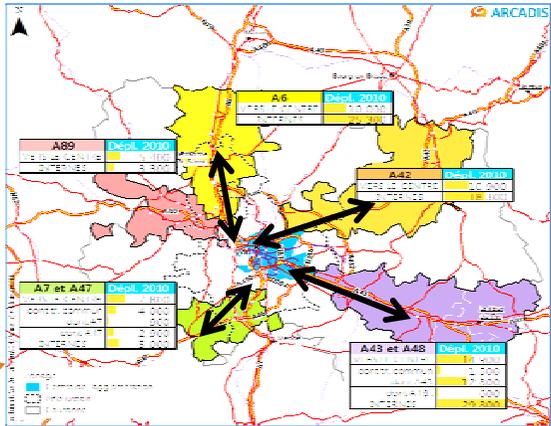
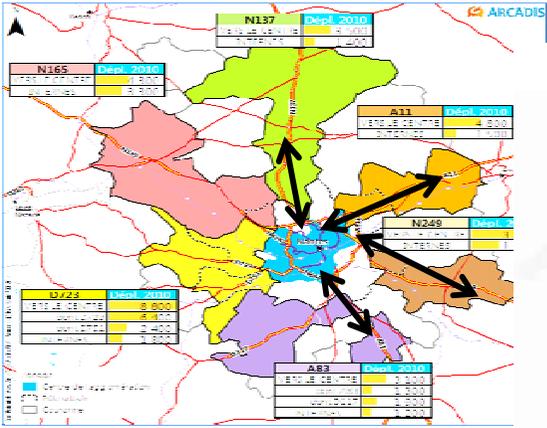


# A mature network, which needs further investments

- 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