General Report to be presented by each delegation during the ASECAP Study and Information Days
LISBON, 27 – 29 MAY, 2015

Kapsch Telematic Services

GENERAL REPORT

PREAMBLE

The Konsorcium Kapsch is the General Supplier of the Toll Collection System on Roads and Provider of Services Related to the Operation of the Toll Collection System.

The Road and Motorway Directorate of the Czech Republic is the Operator of Toll Collection System on Roads. RMD is the organizational organ of the Ministry of Transport of the Czech Republic.

Introduction

The Czech Government discussed the introduction of the road toll shortly after the country joined the European Union (EU) in 2004. The primary reasons for this were:

- Change of time-based taxation to a more just performance-based charging where a user pays for the number of kilometres travelled
- Increase of funds flowing into road management;
- Attempt to balance the conditions for road and railroad transport as well as the related eventual reduction of increased truck traffic in the Czech Republic;
- Possibility to introduce telematic services.

The EU membership of the Czech Republic and the related expectations of highly increased transit truck traffic resulted in a demand for specifying an electronic toll collection system that would offer maximum user comfort.

The considered systems should not discriminate international carriers who occasionally use the chargeable road network in the country compared to the domestic carriers, who use it frequently. This is the reason why the competitors in the tendering process for the toll only included those who offered a system based on the microwave (DSRC) communication. One of the benefits of the microwave toll system is the use of low-cost and easy-to install onboard units (OBU), which can be very easily distributed, installed and uninstalled into a vehicle. That this requirement was justified and confirmed by the experience from the first months of the system operation, primarily by the continuously growing number of active OBUs. If we compare this system with the satellite-based one, there is no doubt that the acquisition costs of the first one are higher. However the savings on acquiring more affordable low-cost and easy-to install OBUs have entirely eliminated the extra cost by now. They have proven to be the right decision.

The Czech Government decided to cover the costs for upgrading and maintenance of the transport infrastructure by introducing a distance-based truck toll. This road toll applies to Czech and foreign road users alike. On January 1, 2007, the Czech nationwide electronic toll collection system for heavy vehicles with a maximum permissible laden weight of 12 tons and above started commercial operation. As mentioned above, the system is fully electronic, using DSRC technology to achieve multilane free flow toll collection.

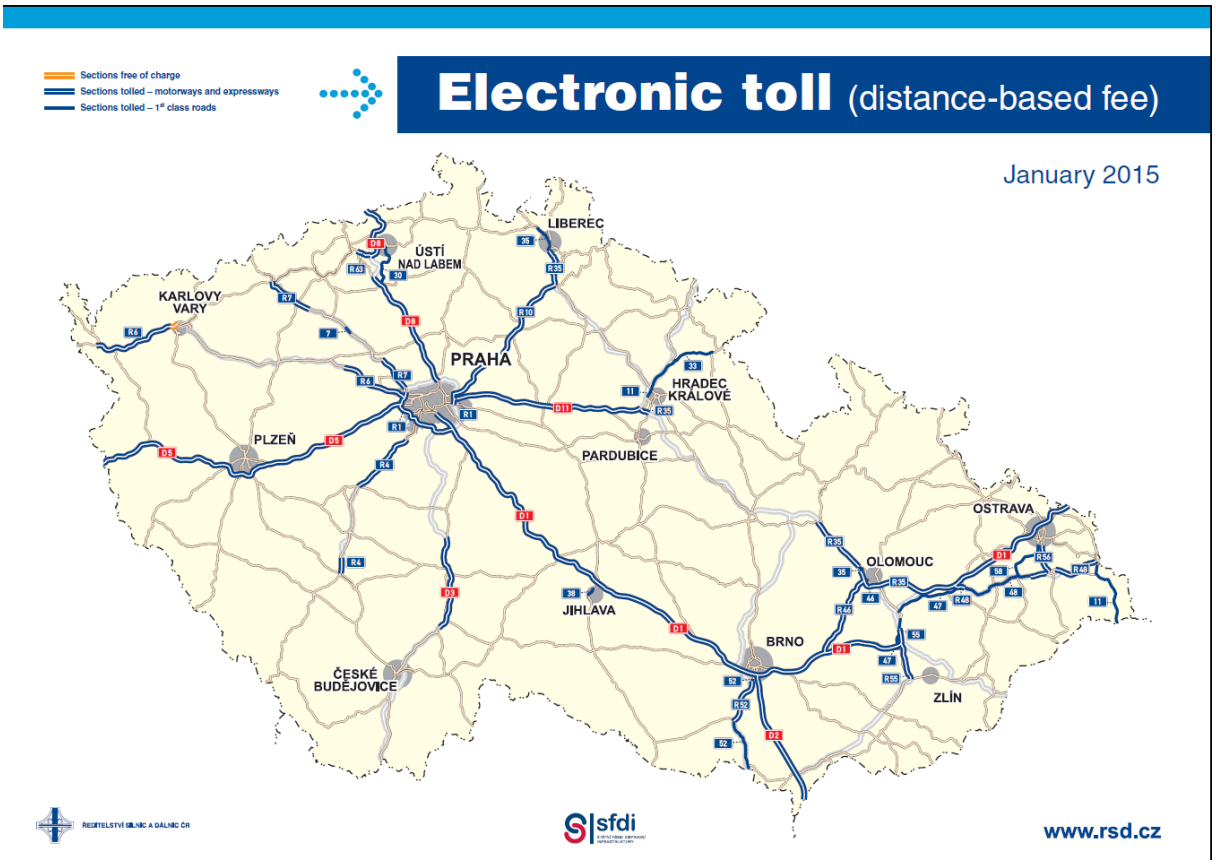
Within nine months from the date of contract signature, Kapsch, as the chosen supplier, was able to design, develop, manufacture, erect, integrate and implement this complex toll collection system, including setting up a nationwide distribution network for OBUs with pre-pay and post-pay capabilities, as well as establish multilingual services and a support network to enable technical and commercial operation of the system.

Since 1st January of 2010 the tolling system was extended for vehicles over 3,5 tons within the nationwide tolled road network.

In August 2011 a new category “Bus” was introduced and deployed into the system, providing discounted tariffs for the carriers operating public passenger service.

Network length

The length of the Czech tolled road network has increased from 1422,7km (as of 1.1.2014) up to 1429,20km (as of 1.1.2015). The total length of all roads in the Czech Republic comes up to 55 770km as of 1.1.2014



Openings 2015

I/37	Chrudim obchvat úsek Medlešice – I/17	5,9 km
I/11	Mokré Lazce – hranice okresů Opava Ostrava	9,8 km
R1	Ul. Na Radosti napojení na SOKP	1 km
R6	Lubenec - Bošov	4,1 km
R35	MÚK Opatovice, dostavba estakády	4,2 km
R46	MÚK Vranovice – Kelčice MÚK Brodek u Prostějova	0,9 km
D1	Modernizace – úsek 14, EXIT 104 Větrný Jeníkov – EXIT 112 Jihlava	8,5 km
D1	Modernizace – úsek 21, EXIT 153 Lhotka – EXIT 162 Velká Bíteš	9,1 km

Investments

The complete price of the whole toll project represents the delivery of the toll system, its implementation, setting into the commercial operation and 10 years of the operation services.

Phase 1 of the toll project including 970 km of motorways and expressways represents aprroximately 3,5 Mld CZK (EUR 125 million) without VAT which was paid during the first 3 years of the systems operations planned.

During the first three years of commercial operation the average performance of the tolling system has been calculated with more than 99% (required performance in the toll tender was 95%).

The MoT has approved a total of 51 roadway projects for co-financing by Operational Programme Transport (OPT) for the 2007-2013 period. By the end of 2010, the EU has helped fund with more than EUR 0,6 billion, the construction of 25 project that are now in operation. The remaining projects are under construction and will be completed by the end of 2013. Total OPT financing will amount to roughly 50 billion CZK (depending on exchange rate fluctuations with EURO). In many cases such funding covers up to 85% of the total cost. The remaining amount will be covered by State Transport Infrastructure Fund and from a loan provided by the European Investment Bank.

24,5 km of highways and motorways were under construction as for 31st December 2014 and almost 30 (approx.. 20 km – reconstruction of the D1) of the new building sites is to be opened in 2015.

Financing

As of 11 July 2007, after only 6 months of operation the total amount of the tolls collected reached the total capital expenditure. This excellent indicator is in addition amplified by the fact that the system was built using the contractor's method, meaning that the general contractor bears the initial costs related to the construction – which is a type of PPP project! The state will reimburse the general contractor for those costs gradually within a horizon of 30 months after the launch of the system.

Traffic

According to the estimates the GDP increased by 2,4%in the Q3 of 2014

Total number of truck km travelled with a permissible total weight over 3,5 tons reached over 2 billions km and the average daily traffic was 5206 in 2014. It means total travelled km/365 days and the total length of the existing tolled road network. The average daily traffic increased by 30% in comparison with 2013

Active OBU 1st January

2008 – 289 500

2009 – 357113

2010 – 412 315

2011 – 521 506

2012 – 583 575

2013 – 635 850

2014 – 671 929

2015 – 740 551

Toll rates

Putting the motorways and expressways as a subject to toll charges is regulated by the amended Act no. 13/1997 Coll. for the Road Network.

Tolled roads and sections are delimitated by traffic signs

(Motorway — Expressway — Tolled Road)

Overview Emission Categories and Toll Rates

Time-based toll charge (vignette)

The fees for 2014for the use of motorways and expressways by road motor vehicles of total weight under 3,5 tons (motorbikes are free of charge) were set by Government Directive No. 354/2011 Coll., which came into effect on 1st December 2011.

By the Government Regulation No. 356/2011 and the fees were follows:

Time/Period	Within 3,5t
10 days	11EUR
One month	16EUR
One year	54EUR

Distance-based toll charge (ETC with compulsory OBU)

The amount of toll for the use of a particular section of a tolled road depends on the length of the section and the category of the respective vehicle, depending on the number of axles and the emissions class of the vehicle.

The toll rates were stipulated by Czech Government Regulation No. 484/2006 Coll., and since January 2015 by its amendment No. 240/2014 Coll.

Toll rates - EUR/KM*												
Emission Class	Euro 0 - 2			Euro 3 - 4			Euro 5 +			EURO VI, EEV		
Axles	2	3	4+	2	3	4+	2	3	4+	2	3	4+
Highway	0,12	0,20	0,29	0,10	0,17	0,25	0,06	0,11	0,16	0,05	0,10	0,15
Main Road	0,06	0,10	0,14	0,05	0,08	0,12	0,03	0,05	0,08	0,03	0,05	0,07
Toll rates Friday 3 pm to 9 pm -EUR/KM*												
Emission Class	Euro 0 - 2			Euro 3 - 4			Euro 5 +			EURO VI, EEV		
Axles	2	3	4+	2	3	4+	2	3	4+	2	3	4+
Highway	0,15	0,29	0,42	0,13	0,24	0,35	0,08	0,16	0,23	0,07	0,14	0,21
Main Road	0,07	0,14	0,2	0,06	0,12	0,17	0,04	0,08	0,11	0,03	0,07	0,1

The toll rates for the vehicle categories M2 and M3 are stipulated by the Czech Government Regulation 240/2014, which came into effect since 1st January 2015

Toll Rates EUR/KM* - Bus			
Euro 0-II	Euro III-IV	Euro V+	EURO VI, EEV
0,05	0,04	0,04	0,03

*The exchange rate with Euro: 1€ = 28,00 CZK

The average annual inflation rate in 2014 was 0,4%

Revenues

Annual toll revenues (million EUR)
2008 – 245,4
2009 – 221,7
2010 – 262,8
2011 – 325
2012 – 346,5
2013 – 342,2
2014 – 316,6

The exchange rate with Euro: 1€ = 27,50 CZK

The annual toll revenue decreased by 7,48% in 2014

Decrease was due 240 To the fact that exchange rate of CZK weakened **Payment (by end of 2014)**

Pre pay = 45 %
Post pay = 55 %
Local lorries = 55,06%
Foreign lorries = 44,94%

Safety

The number of killed people in the road accidents increased by 7,89%, injured people by 4,05%. The most of accidents were caused by incorrect way of driving.

	Variation in % in 2013/2014
Personal injury rate	**+ 4,77%**
Fatal accident rate	**- 0,72%**
Rate of dead	**+ 7,89%**

Long-term forecasts and tendencies

The agreement with current technical operator of toll system ends by December 31st, 2016 and the Ministry of Transport is preparing a new solution for the toll collection which should start operating from 2017.

Significant actions already started and foreseen for 2015

The year 2015 brought into the system some significant changes, which for example benefit the operators of low emission vehicles. Since January 2015 are toll tariffs adjusted by the Government Regulation no. 240/2014 Sb. About the amount of time charges, toll rates, discounts on tolls and how to apply the discount to the toll. Slightly increase of tariffs for emission categories EURO 0-II, EURO II-IV and EURO V, covers the inflation rate from previous years, when rates were frozen. As a compensation was introduced new tariff group for vehicles with emissions class EURO VI, EEV and higher, for which will be valid the current level of rates, which are now valid for the category of EURO V and higher. Additional savings may carriers achieve by favorable conditions for the discount of calculated tolls, the limit to achieve this discount was reduced by 25%.

MAIN ASECAP KEY FIGURES

Country: Czech Republic	2014
Network length	1429,20
No. of km in construction	24,5
Forecasts of opening motorways section	27,8
Annual toll revenue (1€= 27,50 CZK)	316,6
Permanent staff	144
Average daily traffic (LV)	n/a
Average daily traffic (HV)	5206
Average daily traffic (LV+HV)	n/a
Total number of accidents	85859
No. of personal injury accidents	26417
No. of dead	629
Km travelled (10^6 x km)	2157
No. of toll plazas	n/a
No. of lanes	n/a
No. of teletoll equipped lanes	n/a
No. of teletoll subscribers	740551
No. of rest areas (with stations services)	250
No. of rest areas (Contact points)	15
No. of restaurants	n/a
No. of hotels	12