



Current situation regarding EETS

Luis Vasconcelos Pinheiro

Managing Director – Via Verde Portugal



New Legislation

On May 18, 2009 the Portuguese Government approved new legislation that:

- Makes the usage of an Electronic License-Plate Device (“DEM”) compulsory for all vehicles;
- Creates a new public entity, the Electronic Vehicle Identification System (“SIEV”), that will regulate and administer all aspects of the usage of the DEM, including ETC.



The Electronic Vehicle Identification System (SIEV)

Originally positioned for multiple EVI applications (vehicle registration, periodic vehicle inspection, road safety, insurance, etc.) and also for ETC;

- Officially created by a May 2009 legislation package:
- Law nr. 111/2009 – Creates SIEV S.A.
- Law nr. 112/2009 - Introduces the DEM (Electronic License Plate Device)
- Law nr. 113/2009 – Changes current road usage laws to accommodate for SIEV and the DEM.

This legislation:

- Drops/Postpones most EVI applications of the DEM, and deals only with basic License Plate functions and ETC;
- Positions SIEV and the DEM in the scope of EETS.



The Electronic License Plate Device (DEM)

- Mandatory usage, for all vehicles, even outside toll domains;
- Missing or tampered DEM legally equivalent to a missing or counterfeit license plate;
- DSRC MDR technology, according to ISO CEN 15509;
- Distributed free of charge during an introductory period of 6 months;
- After that, each and every new vehicle should be equipped with a DEM by the car dealerships.



Main drivers for SIEV and the DEM

- General (mandatory) usage of an OBE is required for:
 - Conversion of some shadow toll road concessions into real toll operations (first conversions expected in 2010);
 - New concessions, now under construction or bidding (the first of these concessions are expected to start operations in 2011).
- New concessions and ex-shadow toll concessions will have only multilane free-flow toll charging facilities;
- The rising costs of shadow toll concessions places a growing strain on the Portuguese public budget.



Toll Charging

- **Entities involved:**

- Concessionaires and sub-concessionaires (toll chargers);
- Primary Collecting Entities (like EETS providers);
- Secondary Collecting Entity (“anonymous” payments);
- SIEV as Regulator and Administrator;
- All Concessionaires must accept contracts with all Collecting Entities, on a non-discriminatory basis.

- **Payment means:**

- Post-payment by direct debit, with service contract with Collecting Entity;
- Pre-payment with contract with service Collecting Entity;
- “Anonymous” pre-payment (without service contract);
- “Anonymous” post-payment (without service contract).



Toll Charging (continued)

- **Current Real-Toll Concessions:**

- ETC based on the DEM, through primary collecting entities (like Via Verde);
- Required to keep the current manual toll facilities;
- Introduction of new administrative taxes, to be charged to the user, for violation processing.

- **Ex-Shadow-Toll Concessions and New Concessions:**

- Multilane free-flow only;
- ETC based on the DEM, through primary collecting entities (users with service contract) and secondary collecting entities (users without contract);
- “Anonymous” pre-payment (without service contract) subject to administrative tax surcharge.



Issues

- **Legal requirement to offer means of payment that:**
 - Allow the user to remain anonymous;
 - Do not require a bank account.
- **Role of the secondary collecting entity:**
 - Process “anonymous” payments;
 - National Post Office mentioned as candidate, not confirmed.
- **Role of the SIEV entity:**
 - Regulator;
 - Unclear if/how it will regulate/conciliate the relation between concessionaires and collecting entities.



Current Status

- The entry into force of the May 2009 legislation package is pending:
 - Additional legislation that further defines the technical and procedural aspects of the system;
 - Beginning of operations of the SIEV, S.A. entity.
- Above actions have been delayed because of National Elections, held last month.
- Laws still threatened by:
 - Concerns regarding privacy/personal data protection;
 - Political opposition, threatening to overturn the May 2009 laws (unlikely to happen);
 - Protests by workers' unions, worried about job losses.



Concerns

- How will the DEM be distributed/sold?
- “blank” DEM’s?
- Migration costs (technology, processes).
- Replacement of current LDR OBE’s.
- Increased costs for ETC.
- Potential impact on violation rate and revenue loss.
- ETC “saturation” effect in concessions with manual tolling.
- How to handle foreign vehicles (before generalized interoperability)?
- Business model still unclear.
- Taxes to be charged by SIEV, S.A. on the usage of the DEM.
- ...



Thank You