



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

Recent news about the tolling industry from around the world since the 2014 Spring issue of our Global Tolling Newsletter offers new points for reflection.

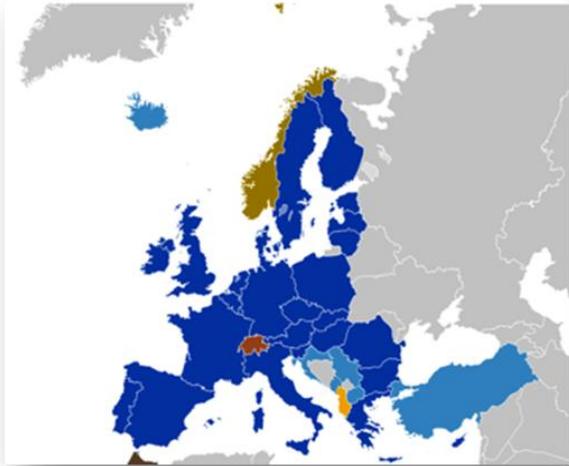
In **Europe**, the **EU** is dealing with a newly elected European Parliament and waiting for the designation of a new European Commission, which is scheduled for the month of November. In the meantime, the Presidency of the European Union, currently run by Italy, has presented its political priorities for the transportation sector, which are being developed under the theme “Infrastructure and Transport for growth and cohesion.” Among the individual European countries, Belgium is moving for the first time towards the choice of tolling, with an electronic toll collection (ETC) satellite project for longer heavier vehicles (LHVs) expected to be fully operational by 2016. In the **Eastern European countries**, new road infrastructure is planned in Slovakia and in the Balkan area.

In **North America**, a lively discussion is taking place concerning the US Congress’s recent approval of a bill to extend financing for the **Highway Trust Fund** until May 2015, while the US National Highway Traffic Safety Administration is dealing with the development of an alcohol detection system for vehicles. Concerning industry developments in individual US states, Texas proves to be quite advanced in using **PPP solutions** for its **surface transportation projects**, and California is planning the introduction of a hydrogen fuel network throughout the state in partnership with representatives of the automotive industry. Finally, the Government of Canada is involved with funding public-private partnership (PPP) projects to repair existing links and build new road infrastructure.

Latin America is as always an active and interesting area for the tolling industry, and both China and the International Transport Forum have expressed an interest in investing in these countries. Brazil is planning to launch new tenders for building new highways and improving existing ones, while new road connections are expected in Paraguay, Bolivia, and Colombia.

Turning to **Asia**, an ambitious program of investment in road infrastructure has been developed in India, while several initiatives of the Asian Development Bank are taking place in Sri Lanka, Pakistan, and Vietnam, with China, which is always very active inside its borders and even beyond, and Australia willing to increase the federal budget for infrastructure.

Interesting news comes also from **Africa**, where a new highway is planned in Algeria, new road connections are to be built in Namibia and Angola, and progress on the East African Highway connecting Kenya and Rwanda is developing smoothly.



The EU situation after the political elections

The EU institutions are currently in the midst of their renewal. Last May EU citizens voted to elect the deputies of the **European Parliament** for a new five-year legislative mandate, while the **European Commission** is waiting for the designation of its new members and the entry into force of a new Board of Commissioners, scheduled in principle for the month of November. Besides these political and institutional changes, the EU has at present great

concerns regarding the consequences of the Ukrainian crisis and the tensions in the Middle East. After the EU political elections, the 751 deputies of the European Parliament, most of whom are completely new in this position, were engaged in forming the new parliamentary committees called to analyze, study, and vote the future legislative EU acts. In the transportation committee, newly elected chairman Michael Cramer, representative of the Green Nordic Party, underlined in his first speech how the EU transportation sector must focus on reducing its impact on the environment and, in particular, deal with climate change issues. Mr. Cramer said the EU's objective of cutting greenhouse emissions coming from the transportation sector by 20% by 2020 will be the priority on that committee's political agenda for the next five years. He mentioned as well that in 2015, EU institutions will deal with a new legislative proposal on road charging, based on the internalization of external costs.

Concerning the activities of the **EU Council**, political discussions took place during the June session of the Transportation Council about the Cross Border Enforcement Directive, EU legislation aimed at facilitating the exchange of data and information concerning specific road traffic offenses (mainly road safety traffic offenses) and the cross-border enforcement of the related sanctions. The European Commission informed the EU Council about its intention to revise this directive—adopted in 2011—after the European Court of Justice (ECJ) ruled that the directive had been adopted on an incorrect legal basis; the Cross Border Enforcement Directive was initially based on the EU competence related to transport safety, but when they adopted the directive in 2011, the European Parliament and the EU Council based the legislative text on the EU competence in the field of police cooperation. The ECJ decided to annul the directive; therefore, the text will need to be adjusted and based on the correct EU competence.

The EU Council and the Presidency of the European Union

The EU Council is the expression of the governments of the Member States that belong to the European Union and is supposed to give the high-level political guidelines upon which individual EU policies, such as environment, energy, transportation, agriculture, research, and others, will be built and implemented. This political drive of the EU Council is well represented through the Presidency of the European Union, which is held in turn by each of the 28 Member States for a mandate of six months, the Presidential semester. This system, called “Troika,” is based on close cooperation among the past Presidency, the current Presidency and the next one, so that for 18 months the EU has a more homogeneous and consistent political program to be achieved. In 2014, the first semester of the EU Presidency was held by Greece, while the second is currently held by Italy. Both Greece and Italy have held the Presidency during a year of EU political elections, with the renewal of the EU institutions and the starting of a new legislative mandate. For this reason, the main legislative dossiers were closed and approved well before the end of the current legislative mandate, so that the two countries can focus

more on political messages and guidelines for the future rather than on specific legislative dossiers to be discussed and approved.

Each Presidency of the EU is asked to draft a political program indicating the main priorities that will be stressed during the semester. This program includes of course the macro-economic and political issues facing the European Union, such as the future creation of a banking union, or the monitoring and improved functioning of the EU's single currency (the euro) or the employment and growth concerns in the EU, and so on. These are big economic and political themes that affect more or less all the industrial, social, economic, and commercial sectors in the EU. In addition to that, the incoming EU Presidency has to focus also on single policies, like the transportation policy. The Italian Presidency of the EU has decided to develop a transportation and mobility program based on the theme “**Infrastructure and Transport for growth and cohesion.**” The program has a number of goals:

- To contribute to the sustainable development of the EU transportation sector, for all transportation modes, in order to improve the functioning of the EU's internal market and foster economic growth. The Italian Presidency said **infrastructure plays a key role in economic recovery and growth**: infrastructure is an essential tool to **create jobs** and to **foster social and economic relations**.
- To help develop the Trans-European Transport Networks (TEN-T) mainly with projects focused on multi-modal corridors, bearing in mind the importance of not creating a huge burden on the national budgets to finance those projects but, on the contrary, trying to take advantage of EU/national cooperation in the financial development of these TEN-T projects, mainly through PPP frameworks and innovative financial tools.
- To foster the use and the application of the ITS instruments by properly implementing the already existing EU legislation on the ITS field, thus improving mobility, enhancing road safety—mainly through the use of the emergency call system *eCall*—and providing road users and citizens with on-time traffic information services.
- To help reduce energy consumption and CO₂ emissions through the use of the most up-to-date technologies, mainly through implementing the recently adopted EU rules on the weight and dimensions of LHVs, aimed also at promoting intermodal transportation.
- To start analyzing the political impact of a future revision of the EU legislation on road charging. The European Commission is currently studying the issue in order to present a legislative proposal possibly in 2015 for examination by the EU Council and the European Parliament. The European Commission's recent political approach to this matter suggests that **road charging systems are considered to be the most sustainable and reliable way to finance infrastructure in the future.**

New EU funding to support infrastructure projects

At the beginning of July, the European Commission selected more than 100 transportation projects across Europe to receive €320 million in funding under the TEN-T Program Calls. These key infrastructure projects with European value added will contribute to delivering a complete transportation network to support the seamless movement of goods and people throughout the European Union. As well as to complete the TEN-T work, the funding will be used to study innovative ways of reducing the transport sector's carbon footprint, focusing on five modal fields: air traffic management, the European Rail Traffic Management System; intelligent transport systems (ITS), Motorways of the Sea, and priority projects.

The development of these projects will be monitored by the Innovation and Networks Executive Agency working together with the project beneficiaries across the Member States and under the supervision of the Directorate-General for Mobility and Transport of the European Commission.

An additional call for proposals will take place in September of this year, under the transportation chapter of the EU program Connecting Europe Facility.

ASECAP Annual Study and Information Days 2014

The European Association of Tolled Highways Concessionaires Companies (ASECAP) organized its Annual Study and Information Days in Athens at the end of May. The main theme for the 2014 ASECAP event was “**Ensuring sustainability in times of dwindling traffic: The role of tolling,**” underlining that tolling is the most reliable and sustainable tool to guarantee an efficient management of road infrastructure for the benefit of users and citizens. During the ASECAP event, a new president for the May 2014–May 2015 mandate was elected: Øyvind Halleraker, the CEO of Norvegfinans, the Norwegian founding member of ASECAP. ASECAP welcomed as well a new member in the Association: the Greek concessionaire Egnatia Odos, which has also the task of forming a new Greek association of highway concessionaires in the next months to be represented in ASECAP. IBTTA was also present at the meeting with President Mike Heiligenstein and Executive Director and CEO Pat Jones. President Heiligenstein recalled the joint declaration signed in 2013 by the two organizations, which said, “**Tolling is one of the most powerful and effective tools to finance, build, maintain, and improve road infrastructure for the benefit of road users and citizens.**” This is a core principle of both organizations. It signifies the strong bond that exists among toll facility owners and operators across two continents. It also demonstrates that the two Associations are committed to articulating and advancing the benefits of tolling.

During the ASECAP Days, several technical communications were presented during breakout sessions focused on road safety, ITS deployment, marketing and communications, and tolling. A final political session was held on the advantages of concession instruments and PPP frameworks; the concession model represents for ASECAP members a flexible and efficient tool for building, maintaining, managing, and improving road infrastructure.

Finally, on the occasion of the ASECAP Days, a new publication was issued titled ***Toll Road Operators – Strongly committed to safe and sustainable mobility***. This new ASECAP publication shows the fundamental role of tolls, part of which is reinvested by the concessionaire companies represented in ASECAP to make the investments necessary to maintain, manage, and improve road infrastructure and therefore guarantee to the users and citizens safe and sustainable mobility. In particular, the publication points out the contribution of the tolled road operators in achieving the goals of the EU transportation policy, their continuous engagement and responsible behavior towards the environment, their activities aimed at ensuring the highest levels of road safety along the tolled road network, the provision of high-quality services to the users, the investment in human resources, the fulfillment, by the tolled concessionaire companies, of the corporate social responsibility principles. The next ASECAP Annual Study and Information Days will take place in Lisbon, Portugal, May 27–29, 2015.

Focus on some European countries

In the **UK**, a contract was recently awarded for upgrading a stretch of the M3 highway and transforming it into a smart highway. The UK Highways Agency awarded a £129-million contract to the company Balfour Beatty, which will be responsible for increasing the capacity of the M3 stretch crossing the counties of Hampshire and Surrey, reducing the congestion and shortening the journey times especially for commuters driving every day on this stretch. That road infrastructure will be transformed into a four-lane highway by using the hard shoulder as a permanent lane; moreover, variable message signs (VMS) will be used to monitor and manage the traffic and inform the users accordingly. Work is scheduled to start during the summer, and the expectation is that the upgrade will be complete by Spring

2017. This work includes the installation of new VMS and of concrete safety barriers, as well as drainage and surfacing work. The contract also stipulates that environmental concerns must be taken fully into account, including the restoration and enhancement of natural habitats along the highway.

In **Belgium**, on July 25, Viapass, the interregional entity comprising the three Belgian regions of Flanders, Brussels-Capital and Wallonia, gave the green light to award a contract to the Sky-ways consortium to develop an ETC system for LHVs in the country. The partners in the Sky-ways consortium are the construction company Strabag, the satellite tolling provider T-Systems, and the Belgian telecommunications company Belgacom, which will provide telecommunications and data center services. In addition, Strabag will rely on its subsidiary company Efkon to deal with the installation, operation and maintenance of the enforcement system. The new Belgian ETC satellite system will be applied in 2016 for LHVs weighing more than 3.5 tons. The governments of the three regions have not decided on tariffs, but they have said tariffs will be distance-based and will be modulated according to the kind of vehicle, in particular with reference to its weight and Euro classification. The contract with the Sky-ways consortium will cover a period of 12 years, until December 31, 2027, for an overall amount of €115 million. Installation is expected to take about 18 months, allowing the new ETC system to be fully operational by the beginning of 2016.

In **Italy**, a new stretch of tolled A35 highway was opened to traffic on July 23: the BreBeMi highway, located in the northern region of Lombardy and connecting the metropolitan area of Milan with the cities of Brescia and Bergamo for a total length of 62.1 km. This highway represents the first example in Italy of a road infrastructure achieved with a project financing system; bank loans make up 79% of the investment, while the remaining 21% is equities made available by the partners. The whole investment will be recovered through tolling income as well as through a final compensation payment made by the new concessionaire who will replace the existing one at the end of the concession period. The new highway is well equipped with technological tools designed to ensure high levels of safety and to provide information to users, as it also takes into account the mandatory environmental requirements aimed at respecting the surrounding environment and landscape. The new BreBeMi highway is meant to improve mobility in this quite congested area and to attract mainly LHV traffic in order to ease the flow of traffic around the urban areas of Milan, Brescia, and Bergamo.

Concerning **Eastern Europe and the Balkan countries**, plans have been developed in the last months for the construction of the longest tunnel in **Slovakia**, the Visnove Tunnel. This ambitious project, led by the Italian contractor Salini-Impregilo, for an estimated cost of around €410 million, is projected to be finished and open to traffic between 2019 and 2020. The 7.7-km Visnove Tunnel will cross the Slovakian Tatra Mountains, located close to the border with Ukraine. The new tunnel, which will incorporate the Slovakia's D1 highway and connect the Slovakian capital of Bratislava with the city of Kosice, will reduce congestion on the existing stretch of highway, reduce travel times, and provide users with higher levels of road safety. In the Balkan area, a contract has been awarded to the company Bechtel and its joint venture partner Enka for building a 60-km stretch of highway linking **Kosovo's** capital, Pristina, with the neighboring country of Macedonia. The new Route 6 highway is supposed to improve transportation connections in Kosovo. Route 6 will also increase the efficiency of the existing Route 7, linking Kosovo to Albania. Construction on Route 6 is expected to take about four years and will use benefit from the workforce already employed for constructing Route 7. This project will be challenging because some areas of the planned stretch are very mountainous and because the new highway will also require the building of several bridges. Developing connections and transportation links in Eastern Europe and especially in the Balkan area is one of the main priorities of the EU transportation policy.



NORTH AMERICA AND CANADA

Comments on the US Congress's approval to extend the federal Highway Trust Fund, the US National Highway Traffic Safety Administration dealing with the development of an alcohol detection system for vehicles, Texas as a model for successful PPP application, California to develop a green fuel network, the Government of Canada to fund PPP projects.

On August 1, the **US Congress** approved a US\$10.8- billion top up of the federal **Highway Trust Fund**. Congress also extended the funding until May 2015. This fund, meant to finance roads, bridges, and other mass transit projects in the US and based on percentages taken from federal gasoline and diesel fuel taxes, risked a significant reduction in funds without this Congress decision. However, commenting on

the approval for the bill, IBTTA, along with other associations active in the road transportation field, pointed out that although in principle this is good news for the highways sector because the funding is guaranteed at least until Spring of next year, Congress should nevertheless develop a more robust action plan with a wider and longer-term perspective to ensure sustainable and reliable financing of roads, bridges, and mass transit projects. IBTTA said the US is taking on the challenge of rebuilding interstate highways as was proposed in the Obama administration's *Grow America Act* released last spring, a bill that, among other proposals for improving US surface transportation, would eliminate the prohibition against tolling existing interstate highways and expand and improve financing mechanisms to increase federal funding. The reconstruction of interstate highways will cost hundreds of billions of dollars in the next years, and certainly the current funding system will not keep pace and will not be sufficient to meet the goal of rebuilding interstate highways. For these reasons, it would be worthwhile for states to have the necessary flexibility to use tolling and other financing opportunities to meet the challenge. Tolling provides a sustainable source of funding and embraces the user-pays principle much more effectively than a tax on fuel. The American Road & Transportation Builders Association (ARTBA) made similar comments, signaling the need for Congress to focus on a long-term surface transportation program reauthorization bill before the current Highway Trust Fund expires in May 2015.

Other entities and organizations not directly involved in the transportation sector but relying nonetheless on an efficient, smooth, and reliable transportation system for their businesses' development also analyzed and commented; for example, the Alliance for American Competitiveness, an association gathering several leading US companies, is actively advocating to highlight the need for effective, long-term plans to fund the US's infrastructure requirements, instead of temporary legislative solutions.

The **US National Highway Traffic Safety Administration** (NHTSA) is currently finalizing a study related to alcohol detection technology to be installed on vehicles in order to reduce traffic fatalities on US roads. The Driver Alcohol Detection System for Safety (DADSS) project started in 2008 as a collaborative research partnership between NHTSA and the US Automotive Coalition for Traffic Safety, aimed at exploring the feasibility, benefits, and challenges of the widespread use of in-vehicle technology to prevent fatalities caused by drunk driving. NHTSA said accidents caused by drunk drivers cost an estimated US\$37 billion every year and in 2012 alone more than 10,000 people died in crashes caused by the drivers' alcohol use. The DADSS device, supposed to measure motorists' sobriety, is still under development and will need to be tested, but NHTSA plans to implement the system, which will function either by disabling the concerned vehicle or by launching an alert system to call police to intervene and block the driver, by 2018.

The **Texas** Department of Transportation recently awarded the company Atkins a six-year US\$25-million contract focused on right-of-way oversight, compliance review, and utility coordination services for the development of PPP transportation projects in the state. Among these PPP projects are the replacement of the Corpus Christi Harbor Bridge, the construction of managed lanes along a segment of SH 288 located in Harris County near Houston, and the building of two stretches of Grand Parkway. PPP development in Texas was also a subject of discussion during the 26th Annual Public Private Partnerships in Transportation Conference organized by ARTBA in mid-July this year in Washington, DC, focused on the opportunities to foster private investments in US transportation infrastructure. During the conference, a highway project in Northern Texas was awarded as a very good example of innovative transportation financing, showing the value of the PPP instrument to develop US transportation: the Dallas–Fort Worth Connector is a US\$1.2-billion project featuring 24 lanes, including 14 main lanes, 6 frontage road lanes and 4 managed toll lanes performing dynamic pricing aimed at solving congestion problems in the area in question. The DFW Connector was completed six months ahead of the initial schedule.

In **California**, plans are being developed to set up a network of hydrogen fueling stations to allow hydrogen fuel cell vehicles to drive seamlessly throughout the state. The project is a partnership between the company FirstElement Fuel, the State of California, and Toyota Motor Corporation. Toyota is contributing funding of US\$7.2 billion to the project, while California is granting US\$46.6 million for building new hydrogen fuel outlets. For the time being, plans have been made to install 19 hydrogen fuel dispensers in various locations throughout the state, with the goal being to create a network of 68 hydrogen stations for fuel-cell-powered vehicles that will go on sale next year. FirstElement Fuel will start buying the hydrogen dispensers from a supplier and install them on the already existing gasoline stations. Plans have been also made to install some additional dispensers, as well as shopping malls and other retail establishments. The FirstElement Fuel project foresees as well the development of a dedicated app for smartphones and additional information technology in to help drivers find the hydrogen fuel stations. Other players too in the automotive industry are interested in developing this project, such as Honda and Hyundai, which expect to introduce soon in the market new models of fuel-cell vehicles.

In **Canada**, the Quebec ministry of transportation, Transports Québec, announced plans for the maintenance of provincial roads on the Island of Montreal by 2016. The scheduled work amounts to more than CA\$1.2 billion for repairing existing road infrastructure, while an additional sum of more than CA\$78 million will be allocated to build new roads. Transports Québec foresees the opening of 74 worksites, with 244 structures to be repaired and more than 11,000 new jobs created in the province. The Government of Canada recently announced other investments, including funding for the North Commuter Parkway and Traffic Bridge Replacement project in the city of Saskatoon, as well as funding to complete the Regina Bypass project in the province of Saskatchewan. The first project involves replacing the old Traffic Bridge in downtown Saskatoon by building a new bridge together with connecting roadways. The project foresees that with the new bridge and access roadways open to traffic, congestion will be reduced, as will travel times in downtown Saskatoon, with the additional benefits of improving air quality and lowering greenhouse gas emissions. The Government of Canada will invest CA\$66 million in this project through PPP Canada and the P3 Canada Fund, while the rest of the funding will be provided by the Province of Saskatchewan in an amount to be determined through a competitive PPP procurement procedure. The second project concerns the construction of the Regina Bypass in Saskatchewan; again, the P3 Canada Fund will participate with a contribution of CA\$200 million. The Regina Bypass, scheduled to be completed in three and a half years, will include new roads, service roads, and overpasses designed to ensure safer and faster circulation of vehicles around that area. The selected contractor for this PPP project will be expected to design, build, finance, operate, and maintain the project for a concession period of 30 years.

LATIN AMERICA



Interest in new investments in Latin American and the Caribbean countries from China and from the International Transport Forum, Brazil to launch new tenders for building new highways and improving existing ones, new road connections expected in Paraguay and Bolivia, Colombia to further develop a big road infrastructure project, Chile dealing with the construction of a new road link, and Mexico to upgrade existing highways and deal with road safety issues at the international level.

China is interested in providing infrastructure funding for **Latin America** and **the Caribbean countries**. According to Business News Americas, China is indeed a main investor in this region. The recent agreement for infrastructure financing was

approved at a political level by the heads of state of the countries involved, and China will provide a first tranche of a loan amounting to US\$10 billion for developing key infrastructure projects in Latin America and the Caribbean.

Investments in Latin America and the Caribbean were also the main focus of the Fourth Meeting of the Initiative for Investment in Latin America, held in Lima, Peru, July 7–8, 2014. The conference was organized jointly by the **International Transport Forum** (ITF), an inter-governmental organization comprising 54 countries that acts as a strategic think tank for transportation polices and organizes annual summits of transportation ministers, the Organisation for Economic Co-operation and Development, the Government of Peru, and the Inter-American Development Bank. During the Lima conference, ITF Secretary-General José Viegas stressed the importance of transportation, developing the main conference theme “Bridging infrastructure gaps through smart investment,” and he highlighted the need and opportunities for investment in Latin America from the perspective of increasing economic and development benefits generated by infrastructure investment.

Turning to an overview of the main infrastructure projects developing in individual countries, **Brazil** intends to open tenders for building highways and tunnels and for road improvement projects. These tenders are included in a plan drafted by Brazil’s National Department of Transport Infrastructure within the framework of the country’s broader Growth Acceleration Program. One of the major projects is the construction of the Morro dos Cavalos tunnel, which will be located in the southern state of Santa Catarina. The 1.36-km tunnel will be part of the Brazilian federal highway BR-101. The project is expected to cost around US\$295 million, and the tunnel should be completed by 2017. Another project already scheduled is the widening of a 25-km stretch of BR-101 in the northeastern state of Pernambuco. In addition, the Brazilian National Department of Transport Infrastructure plans to start tender procedures for repair and maintenance projects for nearly 15,000 km of federal highways, for an overall estimated budget of nearly US\$10 billion.

New road connections are planned in **Paraguay** and in **Bolivia**. In Paraguay, plans have been announced for building the new highway Carmelo Peralta–Poza Hondo, a road link that will improve connectivity in the region of Chaco. The overall cost of this work is estimated at nearly US\$500 million, and, for the time being, the Spanish firm Ohl-Sato has shown a great interest in this project. Bolivia recently drafted a consistent program to increase and improve that country's network of highways. Designed to facilitate connections within the country, the program calls for 16 stretches of two-lane highways at an estimated overall cost of US\$1.85 billion. The road infrastructure program is being managed by the Bolivian Road Administrator and will be developed to improve the road links to the cities of La Paz, Oruro, Santa Cruz, and Cochabamba. All the projects are expected to be completed between 2015 and 2018.

In **Colombia**, the on-going project for the concession of the *Autopista al Río Magdalena 2* has garnered quite a lot of attention from national and international concessionaire companies interested in building and financing this new infrastructure. The road in question is part of a larger project, *Autopistas para la Prosperidad*, launched in 2013. Crossing the Colombian region of Antioquia, *Autopistas para la Prosperidad* is intended to expand Colombia's commercial relationships and create new job opportunities. The new road *Autopista del Río Magdalena 2* will connect the southwestern regions of Colombia with the center of the country and, importantly, will improve the road links with the ports of Cartagena and Barranquilla, mainly for the transportation of goods. The estimated investment for the new road project amounts to around US\$1.32 billion and includes the construction of 150 km of roads, 74 bridges, and six tunnels.

In **Chile**, the Ministry of Public Works is considering building an alternative road to the existing Route 68, which connects the Chilean capital of Santiago with the region of Valparaiso. This planned new road is part of a broader national program drafted by the Ministry of Public Works to improve transportation links in the country by 2020 through the concessions system. At present, Route 68 is affected by congestion during peak periods and especially holidays and weekends. The Ministry for Public Works is currently analyzing the opportunity and intends to conduct environmental impact assessments as well as engineering and feasibility studies. Chile is also involved in a project to build a new tunnel link connecting the country with Argentina. Eighteen companies so far have registered for a tender to build the Agua Negra tunnel, expected to offer a better alternative to the existing road connections and to facilitate transport between these two countries separated by the Andes Mountains.

Mexico's Secretariat of Communications and Transportation has developed plans for upgrading some stretches of highway in the Sonoro state. The estimated cost for the project is nearly US\$1.6 billion, and the project includes widening the road infrastructure to accommodate two lanes of traffic in each direction. The project will be funded by Mexico's National Infrastructure Fund and the state-owned bank BANOBRAS (*Banco Nacional de Obras y Servicios Públicos*). The work to widen and improve the highways is expected to be finished by the end of 2017. The Secretariat of Communications and Transportation has also awarded a concession contract to the Portuguese company Mota-Engil to build the Cardel–Poza Rica highway, with an anticipated cost of more than US\$266 million. The new 129-km road situated in the area of Veracruz will connect the cities of Laguna Verde and Gutierrez Zamora. Feasibility studies have estimated 3,200 vehicles per day crossing the new road link. Mexico will also host an important conference on road safety from September 30 to October 2 in Cancun. The theme of this Cancun 2014 edition of the annual meeting of Ibero-American Congress of Traffic Safety (CISEV), "Progress in the Decade of Action for Road Safety. Together we can save lives," was inspired by the broader program for the Road Safety Decade 2010–2020 promoted in the framework of the United Nations. The CISEV initiative was started in 2008 with the goal of becoming the most important event for discussing and analyzing road safety issues in Latin America.



ASIA AND OCEANIA

Ambitious program of investment in road infrastructure in India, several initiatives of the Asian Development Bank in Sri Lanka and Pakistan and Vietnam, plans for big infrastructure projects in Indonesia, Nepal to complete infrastructure for a tolled road, China very active inside its borders and beyond, Australia to increase its federal budget for infrastructure, and New Zealand dealing with the planning of new roads and bridges.

In **India**, an ambitious program for investment in road infrastructure will be put in place. During the month of July, the Indian Cabinet Committee on Economic Affairs approved more than US\$2.3 billion for a project to widen several stretches of national highways in the areas of Andhra Pradesh, Delhi, Kerala, Rajasthan, and Uttar Pradesh by creating four-lane or six-lane roads.

Indian highways will also receive a financial contribution from the International Bank for Reconstruction and Development (IRBD) to upgrade and improve more than 1,100 km of the national highway network. Funds from IRBD will be managed under the umbrella of the Indian National Highways Interconnectivity Improvement Project, whose main objective is to help poor and underdeveloped areas to be better connected to the rest of the country.

Pakistan and **Sri Lanka** will also see upgraded, improved, and widened roads. The Asian Development Bank has given a loan of US\$197 million to fund the Pakistan National Highway Development Sector Investment Program, designed to increase the capacity of the main national highways and improve road safety. In particular, this project is focused on reducing poverty and helping economic growth in the underdeveloped Pakistan region of Balochistan. The Asian Development Bank is also quite active in Sri Lanka and approved a loan of approximately US\$800 million for upgrading major roads in that country, again with the goal of helping poor regions to be better connected and more developed. The Asian Development Bank invested as well in **Vietnam**, where work on the new Ben Luc-Long Thanh Expressway is expected to start by the Fall of 2014 with the financial participation of the Japan International Cooperation Agency, the Government of Vietnam, and the Asian Development Bank.

Indonesia is also an active country in the Asian macro-region. The Government of Indonesia recently announced a plan to develop 16 big infrastructure projects, to be started by the end of 2014. These projects concern not only roads but also other transportation infrastructure, such as ports and airports. The Indonesian Ministry of Public Works plans to build and upgrade five big tolled road connections to better access the airports of Kertajati and Soekarno-Hatta, as well as the access roads to the port of Cilamaya. To accomplish these projects, the ministry plans to issue a tender by the end of 2014. The Indonesian government also announced its intention to launch a tender for work on a new toll road connecting the cities of Balikpapan and Samarinda. The project had been a bit delayed because of problems related to land acquisition, but now the government has said it will launch a tender for October 2014 and that it will contribute to this toll project nearly US\$215 million, which will be added to the investments requested from the winning bidder.

In **Nepal**, the government recently announced the launch of an ambitious infrastructure program to be started in the second half of 2014 and to last until the end of 2015. The aim of this program is not only to better connect and develop certain areas of the country but also to foster tourism in Nepal. Priority

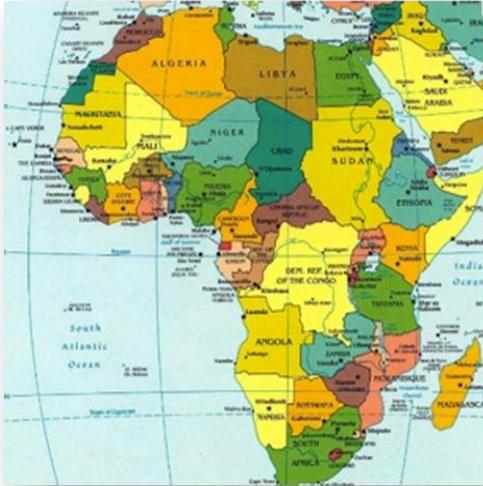
will therefore be given not only to roads and highways but also to airports. First of all, construction will start again to complete the tolled Kathmandu-Tarai Fast Track Road. This project was expected to be finished already, but it experienced funding problems. As a result, it was decided to toll the road infrastructure, and the proposal aims to attract investors by guaranteeing a certain number of vehicles cross the tolled road. Another important connection is the Mid-Hill Highway in Nepal, which needs to be upgraded with a new asphalt surface and the addition of 20 new bridges along the road. At the same time, construction will proceed on the Gautam Buddha Regional Airport and on a second international airport in the Bara district to better connect those regions. Finally, all of these projects in Nepal include also improvements in technology.

Infrastructure development in **China** continues as always at a fast pace. In the province of Yunnan, the local authorities unveiled a plan for building an additional 1,500 km of highways to extend the province's road network; to that end, a specific budget of more than US\$24 billion has been approved, with the aim of achieving, by the end of 2015, an overall network of 4,500 km throughout the entire province of Yunnan. China is active not only inside its borders but also internationally; Chinese companies are working, investing, and constructing in Asia and in other areas of the world. (See for instance the section on Ethiopia in this newsletter and the news about Chinese investments in Latin America and the Caribbean). The Government of Bangladesh has signed a deal with China Major Bridge Engineering Co., Ltd. (MBEC), to build the main part of the Padma Bridge, a very important project for the country. Scheduled to be completed by 2018 at an estimated cost of more than US\$2.5 billion, the bridge will connect the southwestern areas of Bangladesh with the capital, Dhaka, and is supposed to reduce travel times and to facilitate the transport of goods. MBEC will rely on local Bangladesh firms for the provision of construction material for the bridge, and a supervising consultant will be appointed to start construction on the project.

Tuning to Oceania, in May, **Australia's** federal government announced it would include in the federal budget an amount of US\$117.04 for developing, in the next decade, new infrastructure projects, including fast track and road projects for the region of Sydney, new road networks, and improvements in public transportation, including both buses and railways, in Western Australia and Perth.

Still in Australia, the state of Queensland announced its intention to install a system of fixed and mobile automatic number plate recognition cameras along the state's road network to detect unregistered vehicles. Once the system is installed in October 2014, the scanned registrations will be sent to a centralized database that will assess and cross-check the collected information with the registration records in order to inform offending drivers via email of the fine they have to pay. Queensland's Department of Transport and Main Roads decided to tackle the issue of non-registered vehicles because approximately 2.5% of the total number of light vehicles in Queensland are not registered, and in 2013 alone nearly 47,000 registration-related offence notices were issued in the state.

In **New Zealand**, the government announced plans for projects to develop new roads and bridges, including the Nelson Southern Link, the Rotorua Eastern Arterial and the road access to the Napier Port. The overall estimated cost for these projects is nearly US\$186 million.



AFRICA

The construction of a new highway in Algeria, developments in the East African Highway connecting Kenya and Rwanda, new road connections to be built in Namibia and Angola, and an increased Asian interest in Africa, with China investing in Ethiopia and Thailand willing to partner with South Africa in the automotive sector.

In Northern Africa, **Algeria** announced the construction of a new 62-km stretch of highway in the northern province of Batna. This project is part of a larger national infrastructure program continuing to 2025 with support from the Algerian government. The first section of this new highway will be divided into two parts, connecting the Algerian provinces of Batna, Khenchela, and Oum El Bouaghi. Expected to cost US\$567 million, this key project will provide an important link connecting the Northern provinces with the Algeria's ongoing East-West Highway project. The latter is a key project that will cross the entire country from Algeria's eastern border with Morocco to its western border with Tunisia, linking the most important Algerian cities with more than 1,200 km of roads. The project, begun in 2007 and involving also international suppliers, is not yet complete; of course an additional link from Batna could be value added for the future development of the main Algerian East-West Highway.

The transportation ministries of **Kenya** and **Rwanda** are right now working closely together on a new **East African Highway**, an infrastructure of 1,600 km intended to foster trade and transportation between the two countries. The new road will connect the Kenyan port of Mombasa to the city of Kigali, the capital of Rwanda, involving as well the transportation ministry of Uganda. This ambitious highway project foresees a six-lane road equipped with the most up-to-date ITS tools for traffic control, including speed cameras and weigh-in-motion systems. The project, which should be complete in 10 years, includes widening and improving existing stretches of roads as well as building new ones completely from scratch. The new highway will mainly be used by LHVs coming from the Mombasa port to distribute freight all around the country. The Kenyan government is currently publishing tenders to prepare feasibility studies for the already planned highways linking the Kenyan capital, Nairobi, with the port of Mombasa; however, the project's overall cost has not yet been determined.

Kenya is at present quite involved in infrastructure development, and the government used the occasion of the Road Infrastructure Development Stakeholders Conference, held at the Kenyatta International Conference Centre in Nairobi last July 30, to raise international awareness about the region's infrastructure needs and to invite stakeholders and potential investors to explore investment opportunities in Kenya. President Uhuru Kenyatta said that after 50 years of independence, unfortunately Kenya is quite far from being developed, having only 14,000 km of paved roads, which represents only 9% of the country's entire road network. This underdevelopment in Kenya means that rural areas are isolated from the rest of the country, with poor access to essential social services. Therefore, he said, the time is ripe to take a step forward, and the government's intention is to open the country for investment with the goal of building at least 10,000 km of paved roads all around the country in the next five years while maintaining and improving the existing roads. The president said this ambitious plan cannot be achieved by bankrupting the country nor by burdening the taxpayers; rather, the solution is to attract external stakeholders and investors, guaranteeing them

certainty and stability during construction, thereby creating jobs and business opportunities. And once the planned road network is complete, the country will hopefully be stronger and better connected within its borders and also with its neighbouring countries. “The vision behind our infrastructure drive is to make Kenya a low-cost investment and trading destination,” President Uhuru Kenyatta said.

In **Ethiopia**, the Ethiopian Roads Authority has awarded a contract to a Chinese construction company for building roads, bridges, and an interchange. The overall cost of the project is estimated to be nearly US\$133 million. In particular, the project includes the construction of a new bridge to span the Omo River and the building of a sugar factory along the river and an interchange to link the factory to the road network. This is not the first time a Chinese company has been contracted to carry out construction work in an African country.

The President of **Namibia** announced a plan for building a road connection linking the Namibian city of Oshikango to the city of Katwitwi in **Angola**. The road would be financed by the Namibian government at an approximate overall cost of N\$100 million. The new road link is intended to improve both national and international traffic and, as Namibian President Hifikepunye Pohamba said, would be of the utmost importance for serving as a link to other countries in the **Southern African Development Community (SADC)**. The main purpose of SADC is to foster economic and social development, regional integration, prosperity, and peace among its 15 member countries: Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia, and Zimbabwe. SADC is highly committed to disseminating as widely as possible the need to improve and expand existing road connections among the southern African countries and to attract investments. To this end, last year SADC also approved a multi-phase infrastructure master plan to be implemented through 2027.

The Thai Auto-Parts Manufacturers Association, which represents the Thai automotive industry, recently expressed an interest in setting up partnerships and joint ventures with similar companies in **South Africa**. Accordingly, a meeting took place in Bangkok at the end of July with the participation of some key players from the South African automotive industry. Both parties found it useful to have an exchange of information and ideas and a transfer of technological skills to improve the performances and the results of the automotive industry both in Thailand and in South Africa. Moreover, this partnership could have the advantage of increasing the international competitiveness of both industries and widening and opening up new market opportunities all around the world.

INTERNATIONAL TOLLING INDUSTRY EVENTS

- *Detroit, MI, 7–11 September 2014: XXI edition of the ITS World Congress, <http://itsworldcongress.org>*
- *Austin, Texas, 14–17 September 2014: 82nd IBTTA Annual Meeting, www.ibtta.org*
- *Doha, Qatar, 21–23 September 2014: ITS and Road Safety Forum, <http://www.itsroadsafetyqatar.com>*
- *Prague, Czech Republic, 23–26 September 2014: 12th International Symposium on Concrete Roads, <http://www.concreteroads2014.org/en/welcome>*
- *Frankfurt, Germany, 29 September–1 October 2014: 42nd European Transport Conference, <http://etcproceedings.org>*
- *Cancun, Mexico, 30 September–2 October 2014: 4th Ibero-American Road Safety Congress (CISEV), www.institutoivia.org/IVCISEV*
- *Athens, Greece, 3 October 2014: Sustainability Forum 2014, <http://sustainabilityforum.gr/speakers-trainers>*
- *Prague, Czech Republic, 19–21 October 2014: IBTTA Global Technology Workshop, www.ibtta.org*
- *London, United Kingdom, 23–24 October 2014: Emerging Markets Forum, <https://www.infrastructureinvestor.com>*
- *São Paulo, Brazil, 28–30 October 2014: TranspoQuip Latin America, www.transpoquip.com.br*
- *Shanghai, China, 28–29 October 2014: China Connected Vehicle & ITS Expo and Forum, www.iotconference.com*
- *Bali, Indonesia, 17–19 November 2014: 1st IRF (International Road Federation) Asia Regional Conference “Building the Trans-Asian Highway,” <http://www.irfnews.org/event/1st-asia-regional-congress>*
- *Madrid, Spain, 27 November 2014: HeERO (Harmonised eCall European Pilot Project) International Conference, <http://www.heero-pilot.eu/view/en/home.html>*
- *Vienna, Austria, 3 March 2015: VIII ASECAP Annual Road Safety Day, www.asecap.com*
- *Istanbul, Turkey, 27–29 May 2015: Intertraffic Istanbul 2015, www.intertraffic.com*



GLOSSARY

AET: All-Electronic Toll Collection

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

ASEAN: *Association of South-East Asian Nations*

ASECAP: *Association européenne des concessionnaires d'autoroutes et d'ouvrages à péage* – European Association of Toll Roads Concessionaires Companies

BRICS: International annual conference attended by the Heads of State of **Brazil, Russia, India, China** and South Africa

COMESA: Common Market for Eastern and Southern Africa

EAC: Eastern African Community

EBRD: European Bank for Reconstruction and Development

EC: European Commission

EIB: European Investment Bank

EGNOS: European Geostationary Navigation Overlay Service

ERF: European Union Road Federation

EP: European Parliament

EU: European Union

GALILEO: European Satellite Navigation System

GNSS: Global Navigation Satellite System

IBTTA: International Bridge, Tunnel and Turnpike Association

ITF: International Transport Forum

ITS: Intelligent Transport Systems

OBE/OBU: On Board Equipment/On Board Unit

OECD: Organisation for Economic Co-operation and Development

ORT: Open-Road Tolling

PPP: Public-Private Partnership

RUC: Road User Charging

SADC: Southern African Development Community

TEN-T: Transport Trans-European Road Networks

UNECE: United Nations Economic Commission for Europe