

ASECAP DAYS



DIGITAL EVENT 2021

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PROCEEDINGS

POLITICAL PLENARY SESSION

EU Green Deal: Accelerating mobility project delivery that meet climate change challenges targeting carbon free emission with sustainable funding and investments

- 10th of November 2021 –

- **Massimo Schintu**, ASECAP President
- **Adina Vălean**, Transport Commissioner, European Commission
- **Elzbieta Lukaniuk**, Member of Adina Vălean Cabinet in charge of Roads and Railways, European Commission
- **István Ujhelyi**, Vice-Chair of the Committee on Transport and Tourism, European Parliament
- **Darko Trajanov**, EU Slovenian Presidency
- **Roberto Tomasi**, CEO, Autostrade per l'Italia, Italy
- **António Pires de Lima**, CEO of the Brisa Group and Chairman of BCR, Portugal
- **Christophe Saintillan**, Deputy Executive Director in charge of IT and Tolling, Vinci Autoroutes, France
- **Bill M. Halkias**, IRF President
- **Malika Seddi**, Secretary General & CEO, ASECAP



Massimo Schintu, ASECAP President, opening statement

More than 200 participants from 17 countries have joined the ASECAP DIGITAL DAY. A great program has been developed by the ASECAP team and committee program.

The key highlights are:

- Sustainable transport solutions: Toward low carbon motorway aligned with the green deal objectives
- Accelerating mobility project delivery
- Road safety
- Cooperative, Connected AND Automated Mobility (CCAM): Digital transformation on road infrastructure
- Emerging technologies
- Innovation in toll collection and management
- R&D Road Infrastructure Projects

the plenary session focuses on climate change issues and decarbonization of road transport. In Europe, the European Green Deal reaffirms the Commission's ambition to make Europe the first climate-neutral continent by 2050. Achieving a climate neutral continent will require the full mobilization of industry stakeholders. In this framework the toll motorway sector has been reaffirming its commitment to prepare next generation mobility fulfilling the climate change challenges to reduce the greenhouse gas emissions by 90% in the transport by 2050 by fostering the deployment of green, safe and innovative transports including multimodal and autonomous transports, as well as the deployment of alternative fuels' infrastructure. ASECAP members have reaffirmed their willingness to support the ambitious goals of the European Commission to reach carbon free objectives for a sustainable road infrastructure.

Pandemic has shown the importance of a sustainable mobility and efficient road infrastructure. The European motorway network represents the backbone of efficient movement of goods and people around Europe. Toll road operators have shown the resilience of roads in providing continuity of services mainly the delivery of goods for medical care, to provide foods for the citizens.

My "flagship initiative" for 2021, as ASECAP President is the redaction of an Association Sustainability Report. As ASECAP we have published our vision of sustainability few years ago. We will now show our progress with concrete KPIs, for first time at ASECAP level.



Keynote speaker - Adina Valean, EU Commissioner for Transport

Road transport represents 70% of all transport emissions so the sector has some work to be completed. However, road transport is relatively well placed, compared to other transport modes, since this sector benefits from technology, demand for electric vehicles is increasing, manufacturers are investing massively, and road infrastructures are being rolled out. Having said that, our expectations are high: the objective of having at least 30 million zero-emission vehicles in operation by 2030 on Europe's roads is reachable. The EU is financially supporting this transition through a number of EU programmes:

- the Connecting Europe Facility through its recently launched Alternative Fuel Infrastructure Facility will dedicate € 1.5 billion to electric and hydrogen stations mainly alongside the roads that make up our trans-European transport network.
- The European Regional Development Fund
- The Cohesion Fund
- The Recovery and Resilience Facility

In their recovery plans, member states altogether allocate more than € 93 billion to transport, 80% are allocated to projects aimed at greening transport. Loans and the guarantees from the InvestEU programme will help mobilise private investments for projects and operators in sustainable infrastructures and research and innovation. Furthermore, Horizon Europe programme will continue to reinforce industrial and technological capacities through clusters such as that on climate and energy mobility. The European Commission will present in December an Efficient and Green Mobility Package to support the transition to sustainable road transport. This package will include 2 new proposals:

- Revision of the TEN-T Regulation to support more sustainable connectivity across the EU.
- Revision of the ITS Directive to improve the smart management of road traffic: less congestion will bring about less fuel use, less pollution and lower costs for transport operators.

Finally, price signals are very important and should not be forgotten to boost demand for green solutions in the road sector:

- Road charging through the revised Eurovignette directive yet to adopted
- Measures proposed within that are included in the Fit for 55 package

Road transport has a clean bright future in our sustainable smart and resilient transport network and road operators have a crucial role to play in helping the EU to accelerate towards that future.



Introduction of the panel - Malika Seddi, General Secretary ASECAP

Commissioner Valean recalled in her opening statement the high challenges we have to cut CO2 emission and road transport has definitely a role to play for decarbonization of transport.

The Plenary session will focus on how to accelerate mobility project delivery that meet challenges targeting carbon free emission road infrastructures with sustainable funding and investments

The timing of our session is perfectly aligned with the discussion undergoing at the Cop 26. EC President, Ursula von der Leyen, delivered a statement in which she reasserted the EU's position on three crucial topics: the pandemic, the global economic recovery and climate change.

These are the subject our session: how to boost the economy and recover from the pandemic crisis. And also, climate change challenges to keep within the goal to limit the global warming to 1.5 degrees Celsius.

Policymakers are raising awareness on Climate issue which has become priority emergency worldwide. Wildfires, cyclones, floods, and droughts are now the new normal. "These shocks not only damage the environment on which we depend, they also weaken our political, economic and social systems," as reminded by EU elected officials. The climate transition will afford a real opportunity to rethink the infrastructure of the future aimed at reaching the EU objectives of decarbonization.

High level personalities both from the EU institutions and toll motorway operators provide their thoughts, actions, to prepare credible decarbonization plans as well as realistic financing schemes to reach the challenges set by the EU Green Deal, reinforced by the EU Climate Law and Fit for 55 in 2030 summarized hereafter.



Elzbieta Lukaniuk, Member of Adina Vălean Cabinet in charge of Roads and Railways, European Commission

The commitment of road operators to make roads more sustainable must be recognised. With regard to the European Green Deal the EC has been requested to put forward measures in view of cutting 90% of emissions from transport sector by 2050. It is very clear that road transport, that accounts for 70% of all transport emissions, must be part of this green transition. The road sector is in a very good position to achieve this transition because technology is already there. This is very essential that the road transport shall be well aligned with the objectives enshrined in the European Green Deal and in the Sustainable and Smart Mobility Strategy, in particular the objective of having at least 30 million zero-emission vehicles in operation by 2030 on Europe's roads, and some other objectives such as scheduled collective travel for journeys under 500 km to be carbon neutral by 2030. The EC is also consistent with these objectives and reinforces these messages in the Fit for 55 package in which road transport is addressed in a predominant way. This package is quite balanced because it reinforces and confirms the ambition by more concrete actions.

Road transport is targeted in several key measures of Fit for 55 package:

- The new EU Emissions Trading System (ETS) for fuel distribution in road transport
- The Effort Sharing Regulation (ESR)
- Stronger CO2 emission standards for cars and vans
- The Alternative Fuels Infrastructure Regulation aimed to expand the charging capacity in order to be in line with the objective zero-emission car sales, and to install charging and fueling points at regular intervals: electric charging points every 60 kms and hydrogen refilling every 150km on the main European networks. Infrastructure is lacking for the moment. This is why this Regulation plays a crucial role since it will help meet the increasing sales of electric cars and other alternative fuels vehicles.

As mentioned by Commissioner Valean in her opening address, the European Commission will present on 14 December its Efficient and Green Mobility Package that will include two proposals:

- Revision of the TEN-T Regulation
- Revision of the ITS Directive

In 2022 the European Commission will put forward an EU Framework for harmonised measurement of transport and logistics emissions: it will enable road users to make better informed choices based on the carbon footprint of a given travel option. Other incentive measures are included in the revised Eurovignette Directive. All these measures are responses to our citizens who call for more sustainable transport solutions. On the issue of regaining trust and confidence from all the stakeholders,

this is very clear that banks and investors will take into account a lot the green investments. Why? Because this is a demand that is expressed by citizens, businesses. Regaining trust is closely linked to the question of this future sustainability, the resilience of these investments and adaptation for future needs. Major EU policy lines like digitalization, optimization of traffic through this, including safety, as well as the alternative fuels development will be predominant in the big objectives for financing.



István Ujhelyi, Vice-Chair of the Committee on Transport and Tourism, European Parliament

The key questions to be addressed is how to make our infrastructure ready for the new challenges? What kind of investments are needed? How to finance them? And how to reach the sustainability aims? The climate and environmental emergency as well as the health and economic crises as consequences of COVID 19 impacts have put transport at the heart of the European agenda. Road transport has a crucial role to play therein, and this is clearly pointed out in the European Green Deal and the Sustainable Smart and Mobility Strategy. Sustainable and smart mobility should be realized everywhere across the EU and all EU citizens must be involved. In European countries, currently around 80 % of passenger and 75% of freight are transported by road in average. Besides, demographic growth, economic globalization and other social trends require to modernize the infrastructure in compliance with EU objectives to make it greener, to enhance people's quality of life, to provide equal access to all citizens whether they are living in remote territories or in urban areas, to improve resilience of road mobility and to support the smooth functioning of our economies. So, connectivity must be put on the first place. In May 2021 ASECAP held a webinar on C-ITS during which I stressed that the security and safety aspects of transport on roads are crucial for the European Parliament, including myself. The vehicles should communicate to each other to the infrastructure in prompt time and these services should be offered to all citizens, so no extra fee or charge is asked.

Furthermore, a standardized European system like C-ITS could bring excellent solutions for environmental- friendly and sustainable transport and fulfil the CO2 targets for 2030. In the next couple of months, the European Parliament will work hard to adopt a well-defined position in the Fit for 55 package. In parallel, the NextGenerationEU programme and other coming instruments, especially the Internal Market instruments will provide the financial tools to support the development of the transport infrastructure, including road transport.



Darko Trajanov, Director General of the Directorate for Sustainable Mobility & Transport, EU Slovenian Presidency

The Fit for 55 package, which was presented on 14 July by the European Commission, represents one of the key priorities of the Slovenian Presidency. The Recovery and Resilience Facility is another priority, as well as the European Year (2021) of Rail.

Another priority of the Slovenian Presidency is about improving the connectivity with Western Balkans: many issues are still at stake. A European Conference with ministers from Western Balkan countries, held in July 2021, tackled cross-border issues, in particular the need to reduce waiting time at borders between EU and non-EU countries for truck drivers.

In September 2021 there was an informal meeting EU transport and energy ministers that was devoted specifically to the challenges of electrification of mobility in terms of energy and networks.

As regarding alternative fuels, technology exists for recharging and refilling points, at least for light vehicles. However, there are concerns regarding the technology for heavy vehicles. But the newly proposed Alternative Fuels Infrastructure Regulation will help bridge the gap in this area. This is a priority topic that was addressed at the informal meeting of transport and energy ministers. Another key issue is to provide sufficient energy supply on the road network, with a specific focus on the TEN-T network to meet the demand. Providing the infrastructure at the right is the first priority: indeed, it turns out that the points where the road and energy networks are crossing are not the same as the current refueling stations are located on the networks. Therefore, huge investments will be needed to establish new locations for providing electricity for recharging or to connect current rest areas, petrol stations and filling stations with more power.

Another challenge is that not all EU countries are equally equipped in terms of e-mobility. Also, the situations are different in terms of population density and density of networks. Therefore, the demand for charging stations varies from one EU country to another. Flexibility will therefore be required. In addition, there is a need to tackle the issue of the power output of these stations and the deadline to install those stations. Private investments, in addition and national financing, will be necessary to meet these very ambitious objectives.

On the question of how to make these investments in a sustainable financing way, it is crucial to prioritize projects in order to fulfil our goals that were set politically: since climate change and decarbonization are high on the EU agenda, our policies in terms of investments did follow. All investments are therefore steered into the directions that will allow our goals to be achieved. However, there are challenges. One of them is that certain investments do not make any economic sense: for example, to finance the

installation of alternative fuels infrastructure on the countryside, subsidies will be needed for quite a long time until the market exists, the objective is to safeguard the business model. Regarding the best interesting fields and the least interesting areas, it will also be crucial to exchange best practices and experiences between member states. Furthermore, the price signals and tax policy are instruments that must be used to direct investments to cleaner transport solutions.



Roberto Tomasi, CEO, Autostrade per l'Italia, Italy

One of the key issues for us is the need to maintain our infrastructure in a good condition and to view in a long-term period the life cycle of our infrastructure. In the last years, in Italy, we have spent less compared to other countries in modernization activities (in terms of GDP %), so we expect in the next years to spend more money to maintain our infrastructures.

What will be the change in the mobility: the shared vehicles will multiply at least by 3 times compared to what we have seen, and the penetration of electrical vehicles will also increase. Another important aspect to take into consideration is the increase of heavy vehicles in this period: if we compare the volume of the heavy traffic compared to 2019, there is an increase of 2 or 3% even if the GDP remains below the 2019.

Concerning the modernization of the infrastructure, today we have a different knowledge of the needs of infrastructures. We have seen in the USA, Mr. Biden launched a huge programme on the infrastructure with trillion of investments and considering that the average age of our infrastructures is higher than 50 years, we must make important investments also in the modernization of the infrastructure. It is not yet in line with the policy both in Italy and in Europe, the needs to invest so much money to give another life cycle to our infrastructure. It remains a crucial aspect to be sustainable because without a modernized network there is no way to sustain the mobility. We need a process to find the construction capability to support this modernization process.

Coming to the topic of net zero strategy: in the last years the increase of CO2 has remained important. The target is very tough, and we must work together covering all the aspects that have been underlined and the need to produce energy in a completely different way and to increase the strategy for digitalization to optimize the level of traffic and to change the approach in terms of intermobility.

We need to be faster and without new regulations, we have no possibility to keep this target. Moreover, we must see if the regulation can meet this target and if the targets we have defined can be achieved. Some regulations need to be modified and if we maintain the rules of public procurement, we won't achieve these important targets.

We must define how to cover a long-term plan and define our needs in the next 10 – 20 years and how to support these needs. Considering the big volume of activities to achieve these targets, we must build on the construction, engineering and digital competences to support the needs of these complex plans that we are looking for. We need very fast regulations to keep the target we are looking for and it could be useful to have a cabinet to check on a monthly basis to see if we are able to keep these targets.



António Pires de Lima, CEO of the Brisa Group and Chairman of BCR, Portugal

Sustainability matters to BRISA. This is confirmed by the rankings BRISA gets being classified as the n° 1 European infrastructure company on operation and maintenance for the 4th year in a row obtaining 95 out of 100. It has been clear in the recent exercise in which we define our strategical plan called Vision 25 with the new shared structures in BRISA set up one year ago. We assure clear commitment around this Vision 25 exercise on sustainability. The first one is that BRISA is really working hard in a concrete way to become carbon neutral by 2045. And to reduce 60% of our CO2 emissions already by 2030. The good news is that at BRISA we are already on track to achieve these ambitious objectives: neutral by 2045. In 2019, before the COVID, at BRISA we have reduced by 40% our carbon emissions compared to 2010. So, 60% reduction seems a very achievable objective and this global commitment of becoming neutral is something that we are taking seriously. One of the ways we are assuming these objectives is becoming 100% circular company on the management of our supply chain also by 2030.

I want to share with you a couple of thoughts about the future to become carbon neutral in transport. In September, and particularly in October and November, in Portugal traffic on cars has recovered completely versus the situation before covid with a small increase in traffic. Cars will continue to be after this pandemic a main mobility way of transport for people, and people are using cars in the same patterns in terms of timing of the day and days of the week than before the Covid. Cars are here to stay but in order to achieve clean mobility, we need to speed up our bets in electric vehicles, in the transition from fuel fossil vehicles to electric vehicles.

In Europe we do have a gap on the infrastructure, and we need more than 6 million heavy chargers and currently we do have no more than 3 hundred thousand. In Portugal there is a feeling that we do not have heavy chargers enough in our highways producing a road user anxiety that we need to overcome. At BRISA we are taking these issues very seriously. In 2021 we are in the company of 6 partners placing sets of super chargers in our service areas in the BRISA highways which allow that in the Portuguese highways every 80 km you can stop and charge your electric car in 10 minutes.

There is a need for a strong European financing package to allow people to be financed at the European level to speed up the replacement time from actual cars to electric cars.

At European level, we could consider strong finance package to finance a good percentage of support for people to speed up their change of cars in order to have a situation with more than 80 % of electric cars.



Christophe Saintillan, Deputy Executive Director in charge of IT and Tolling, Vinci Autoroutes, France

In France and in many countries of the European Union, road is by far the most used mode of transport and the transport sector is one of the sectors emitting a high level of greenhouse gas. Road will remain for sure the predominant mode of transport and road is the only mode of transport available for suburb and rural areas. The public decarbonization policy must find a way to tackle the challenge of drastically reducing the carbon emission of road transport from financial and social points of view.

The road decarbonization implies the motorway decarbonization because motorways are the backbone of our countries and of our economies. But motorway decarbonization, especially in France, cannot be addressed the same way as other roads because the needs and constraints are totally different. Moreover, motorways are financed using a user-payer system thanks to the concession model, a sustainable financing scheme.

We consider at VINCI Autoroutes that motorway decarbonization is an urgent matter. VINCI Autoroutes has studied the actions that are needed to shift the traditional motorway design to a modern carbon neutral and environmentally friendly transport infrastructure. Adapting the French motorways for tomorrow needs implies a massive investment of about 50 billion euros to develop the market of electro mobility to enhance intermobility and to deal with extreme weather conditions. One of the main issues is to build a dense and reliable network of high-power charging stations along all motorways. This network must be built soon enough to avoid a crisis with thousands of customers unable to charge their cars or trucks. Without this network the rise of the electric cars won't happen, and we won't be able to reach the fit for 55' emissions reduction plan. Therefore, a global scheme of charging stations anticipating the 2030 needs must be built in the coming months in order to launch the huge works all over the country according to the exponentially growing of electric cars.

Reducing the greenhouse gas is the first axe of this public policy. The second axe is to reduce the dramatic consequences of climate change in our motorways. Motorways must become resilient to such extreme weather to avoid logistic breakdown, and this also implies billions of euros of investments. Modernizing motorways is the third pillar of motorway decarbonization. It implies different actions, for example using all the

available spaces along the motorways to build solar factory in order to produce electricity; to create eco-bridges to guarantee a biodiversity across and along motorways, to protect urban areas against road usage noises.... Developing in less than

5 years a dense, highly available network of high-power charging stations on our motorways is a major issue. The charging prices for customers must remain competitive with gasoline. But ensuring such a competitive price implies a business model that is totally different from classical charging stations. Developing motorways resilience also implies huge investments without new incoming for many years and therefore without an obvious classical business model.

Simplicity and reliability are the key words for a sustainable financing. Simplicity in order to have something that can be understood by investors and customers, and to have something that is financeable and understood from a social point of view. We are long term investors, and we need a clear framework to build contracts that can deal with these issues, and reliability of the legal framework as investment cannot be done with such uncertainty, not knowing if the basis of the contract will change in the future.



Bill M. Halkias, International Road Federation President

IRF is dealing with all roads and all modes of transport. Supporting economic recovery from the Covid 19 pandemic is very critical and it means that we must provide an equal access to opportunity via an efficient transport network and keeping in mind local context.

Solutions vary across countries depending on the local context and priorities. In areas where road access is a challenge, and infrastructure is insufficient, the emphasis may be an expanding transport network, both within and between countries, and this is still the case for large part of Europe. Repurposing of roads and rehabilitation of roads should be central in any recovery. Safe roads will save lives, save money, and will create jobs. The solutions to save lives exist but there is currently a significant underfunding on infrastructures for road safety and environment. We need more targeted investments for new and upgraded infrastructures. The business case for safer roads and clean mobility is a very compelling one and for every dollar or euro invested, the return on investment is very high. Innovative finance is needed for making an impact. Public and private partnerships will therefore play an important role in bringing together public and private financing.

The good news is that investors have a lot of interests and appetite in sustainable investing. In addition, infrastructure assets are attractive as they offer predictable and consistent returns. This provides treasury officials with confidence in their investments. Application of good practices provides the fundamental building block for results-based

financing as part of innovative, impact investments focused on long-term road safety outcomes. Finally, an integrated and efficient transport system is the response to the challenges that the road transportation sector is facing. In this respect, we, at the International Road Federation, are fully aligned with the vision of sustainable mobility

for all. Initiatives led by the world bank, gathering around the table 55 key organizations from the transport sector. The sustainable mobility for all initiative identifies 4 main aspects of sustainable transport: universal access, efficiency, safety, and green mobility. I hope, we will come together as industry in addressing these points. The industry is committed and ready to do its part and I'm sure this will be the unified message you'll hear from all the tollway operators and other colleagues that are here with us today.

The public-private partnerships will be the building block for investments. On motorways and on the ASECAP network, we talk about concessions and tolls. Therefore, we have the funding mechanism which is tolling. The tolling is an efficient way of providing funding for infrastructure. However, we have to keep in mind that our contracts are not flexible. So, we need flexibility in the concession contracts.



Malika Seddi, ASECAP General Secretary and CEO - Conclusion panel

Road infrastructure has a major role to play in reaching the ambitious goal of carbon free objective by 2050. To achieve it, there is a need to have a clear, stable legal framework in order to satisfy the ambitious political plan. Simplification of procedures, reliability must be the guiding principles. It is important to recall that huge investments will be needed to shift from the current motorway network to prepare the next mobility priorities including carbon free transport mobility. Sustainable financing schemes will be the cornerstone to implement the ambitious plan to decarbonize road transport as it will require huge investments. The solutions exist.

About ASECAP:

ASECAP is the European Association of Operators of Toll Road Infrastructures across 20 member countries representing 135 companies employing more than 50.000 direct jobs and 200.000 indirect jobs. They operate, maintain, manage a network of more than 86.000 km with a long-term vision that ensures highest quality standards to make the road infrastructure safest, reducing carbon footprint and preserving the environment thank to the user/polluter/payer principle providing sustainable financing.



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