

**AGES. The easy way to pay.**

# **How can UK RUC plans benefit from the Eurovignette experience?**

**ITS – United Kingdom, Road User Charging Interest Group**

**4th RUC IG Conference**

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**AGES International**

## Introduction

Experiences in Europe

Experiences with the Eurovignette

Input for the UK RUC plans



## From a plan to a working RUC system

### ■ **Statements of the new UK government**

- May 2010: The coalition programme for government: “We will work towards the introduction of a new system of HGV road user charging to ensure a fairer arrangement for UK hauliers.” (p. 31)
- Nov. 2010: Business Plan 2011-2015 Department for Transport (DfT)  
November 2010: “Introduce HGV RUC to ensure a fairer arrangement for UK hauliers. -> April 2014

### ■ **What lessons can be learned and what pitfalls avoided based on the experience made in Europe and with the Eurovignette?**

### ■ **What could be taken over as a guideline for the introduction of a RUC scheme in the UK?**



## Company Profile AGES

- **Founded:** 1994
- **Headquarters:** Near Cologne/Düsseldorf – Germany
- **Headcount:** 75
- **Role:** Service provider for road charging in Europe
- **Fields of business:** German road charging system



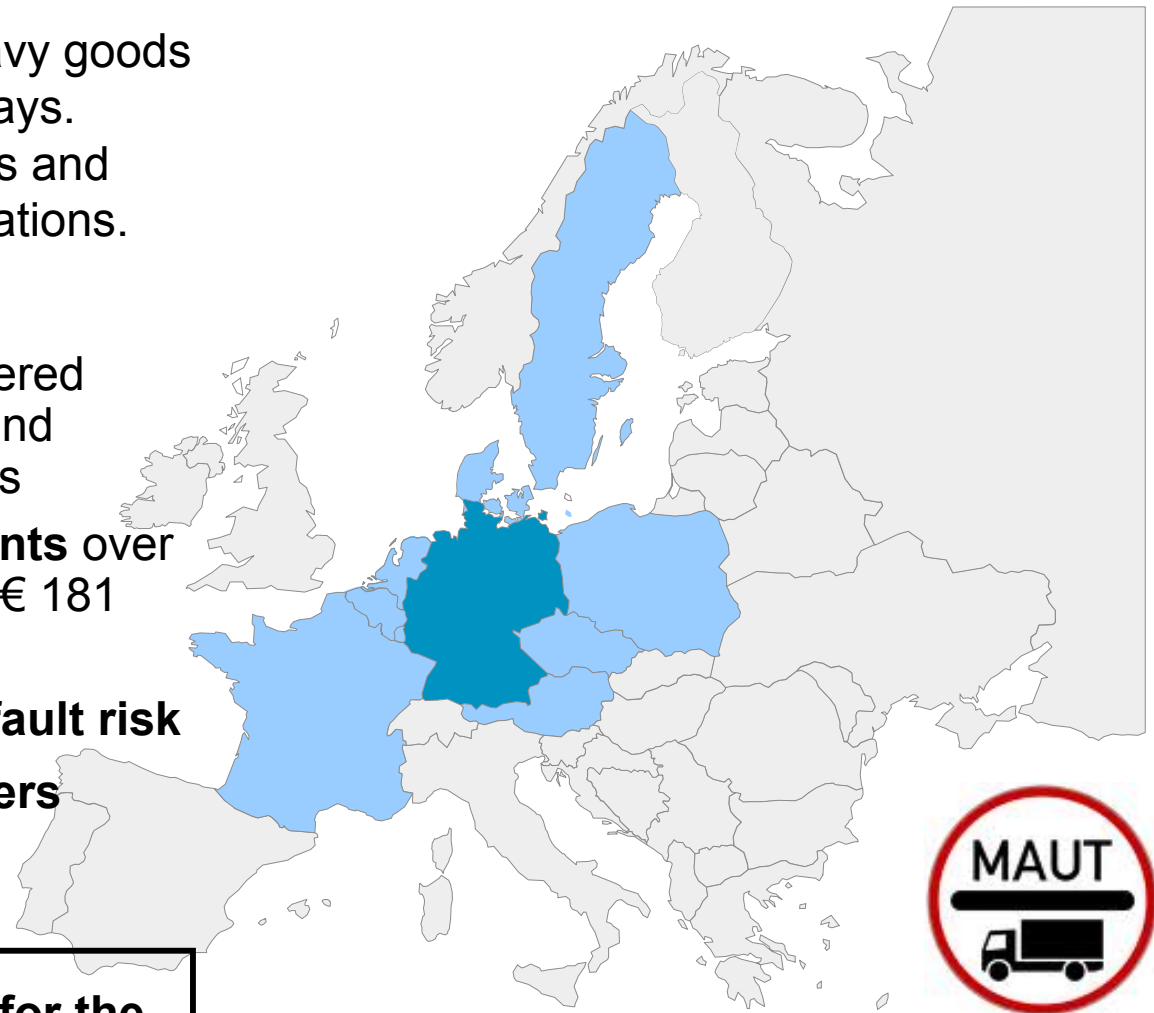
### Eurovignette

- **Number of PoS** app. 4,500 in 14 countries
- **Clearing Volume** more than 5 bill. € / 4.2 bill £
- **Shareholders**





## Fields of business: Road charging in Germany (Maut)

- **Definition:** Since 2005 toll for heavy goods vehicles ( $\geq 12t$ ) on mainly motorways. Automatic collection through OBUs and manual bookings of trips at fuel stations.
- **3,500 POS in 10 countries**
- **Acquisition** of app. 80% of registered users (with OBU) from Germany and abroad via the fuel card companies
- **Clearing & Settlement of payments** over € 4,5 Bill. in 2010. Including Cash € 181 Mio. p.a.
- Taking over the **payment and default risk**
- Contact to app. 25 **fuel card issuers**



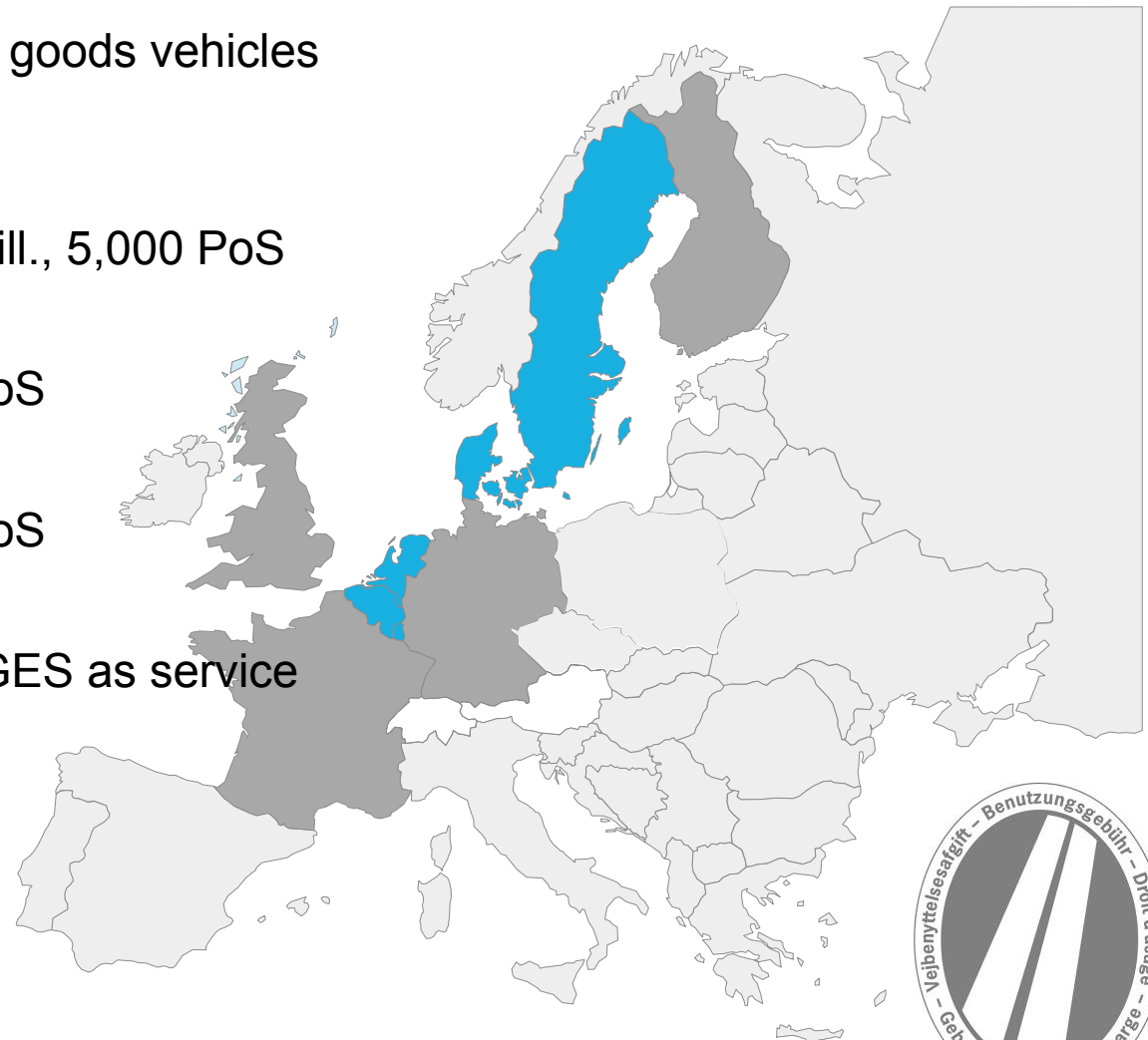
- AGES was one of the **applicants for the German Maut system**. Now we are a main supplier for that system.

 German Maut  
 "Belt" countries



## Fields of business: The Eurovignette

- **Definition:** User charge for heavy goods vehicles (> 12t) on mainly motorways
- **1995 - 2003: Germany**  
AGES as service provider, € 3.8 bill., 5,000 PoS
- **1995 – 2008: “Belt”**  
AGES as service provider, 320 PoS
- **2000 – 2008: Netherlands**  
AGES as service provider, 220 PoS
- **As of 10/2008:**  
New **electronic Eurovignette**: AGES as service provider in all member states
  - Control Center
  - POS Network / Terminals
  - Internet portal
  - Financial cycling
  - Support for enforcement
  - Transfer of revenue to the state



- Member States - Eurovignette
- “Belt” countries



Introduction

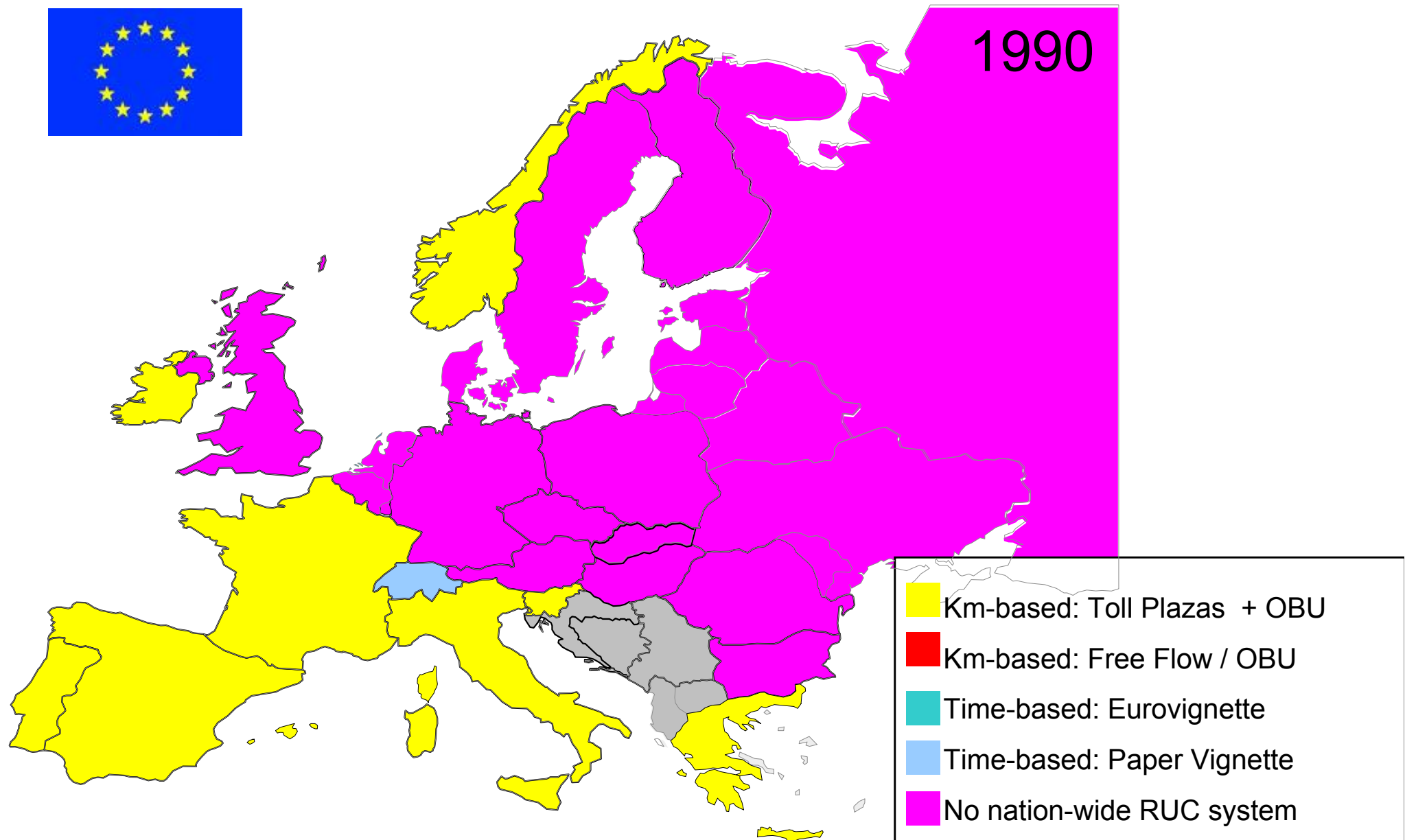
## **Experiences in Europe**

Experiences with the Eurovignette

Input for the UK RUC plans

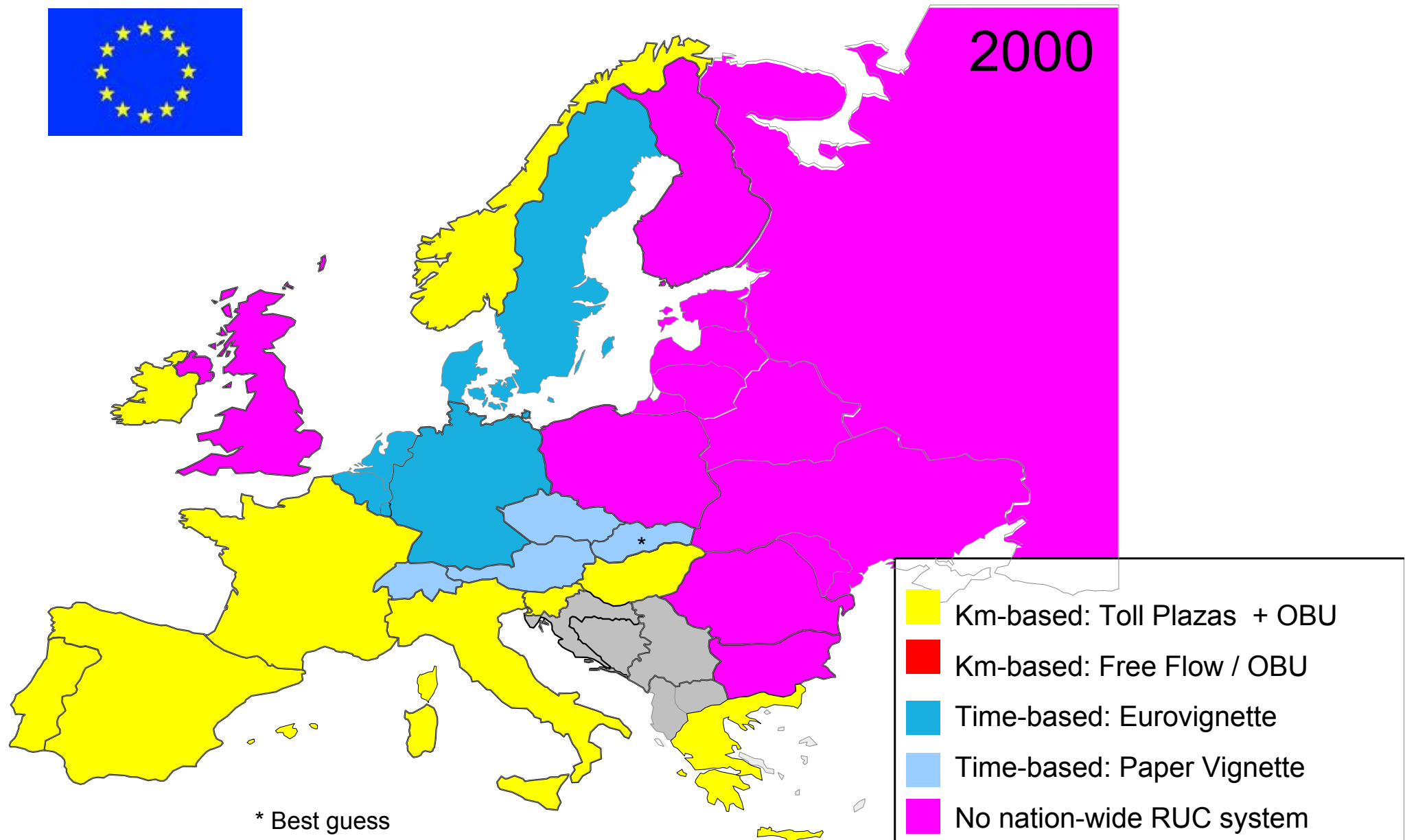


## Road user charges for lorries

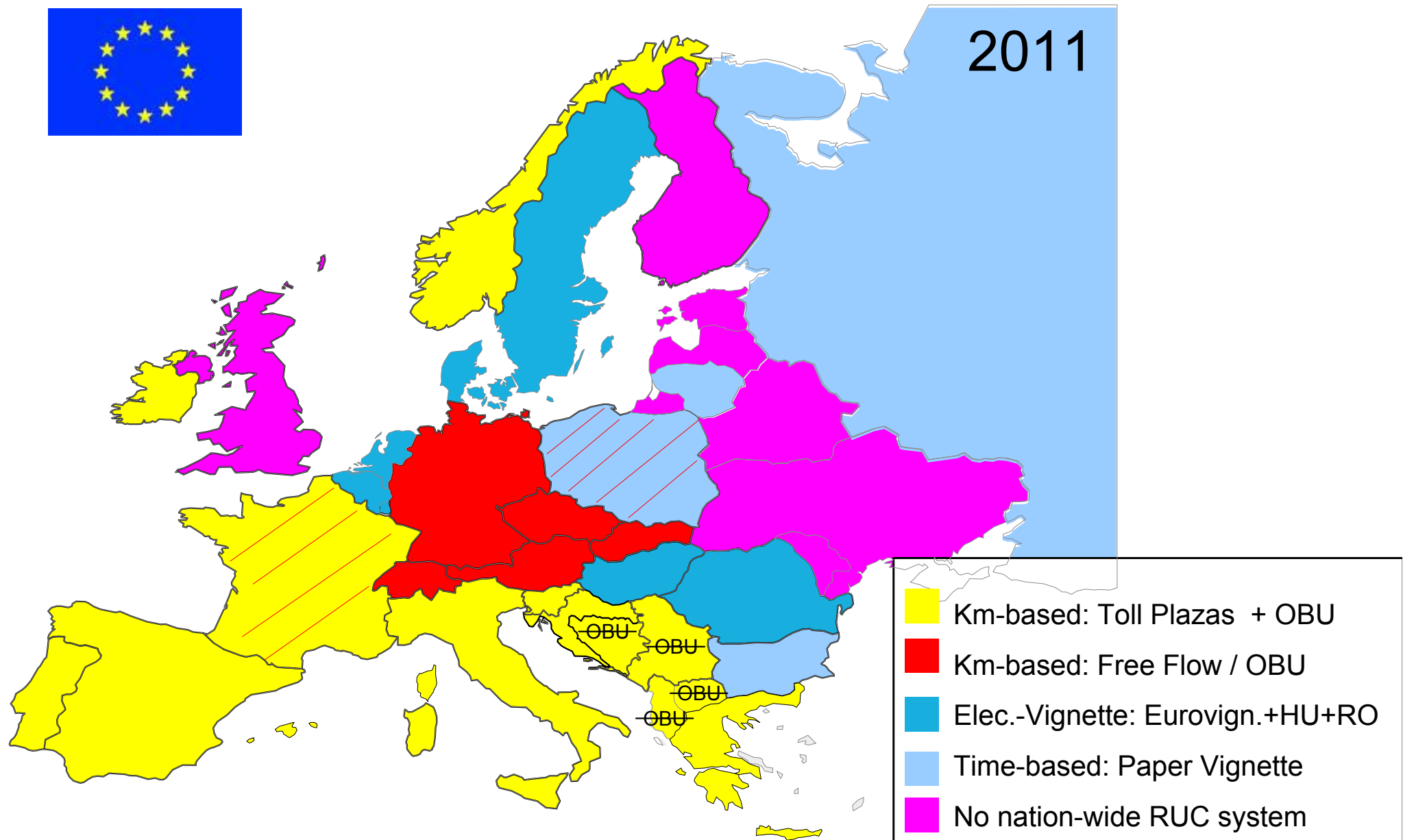




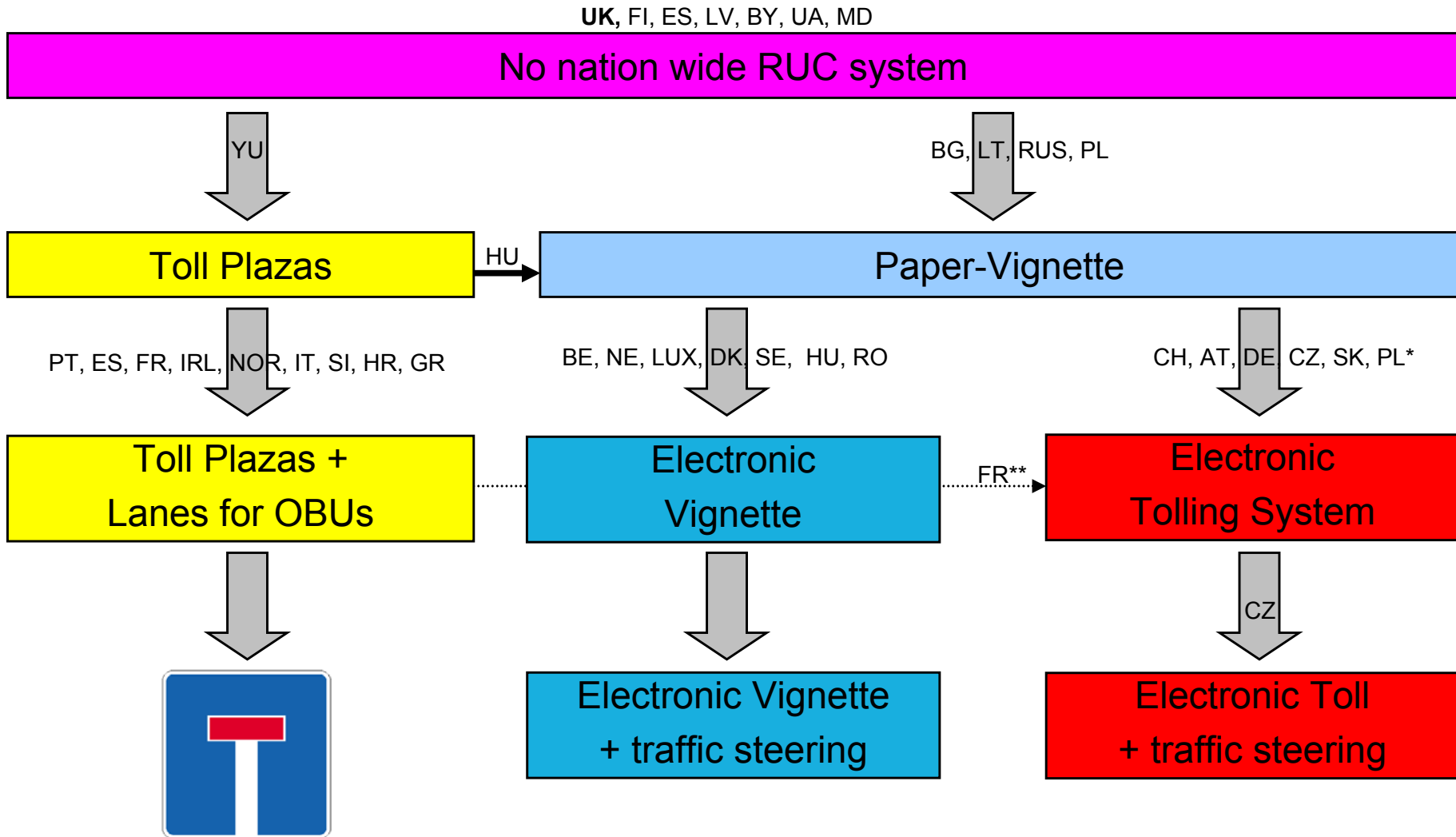
## Road user charges for lorries



## Road user charges for lorries



## Summary of past development paths

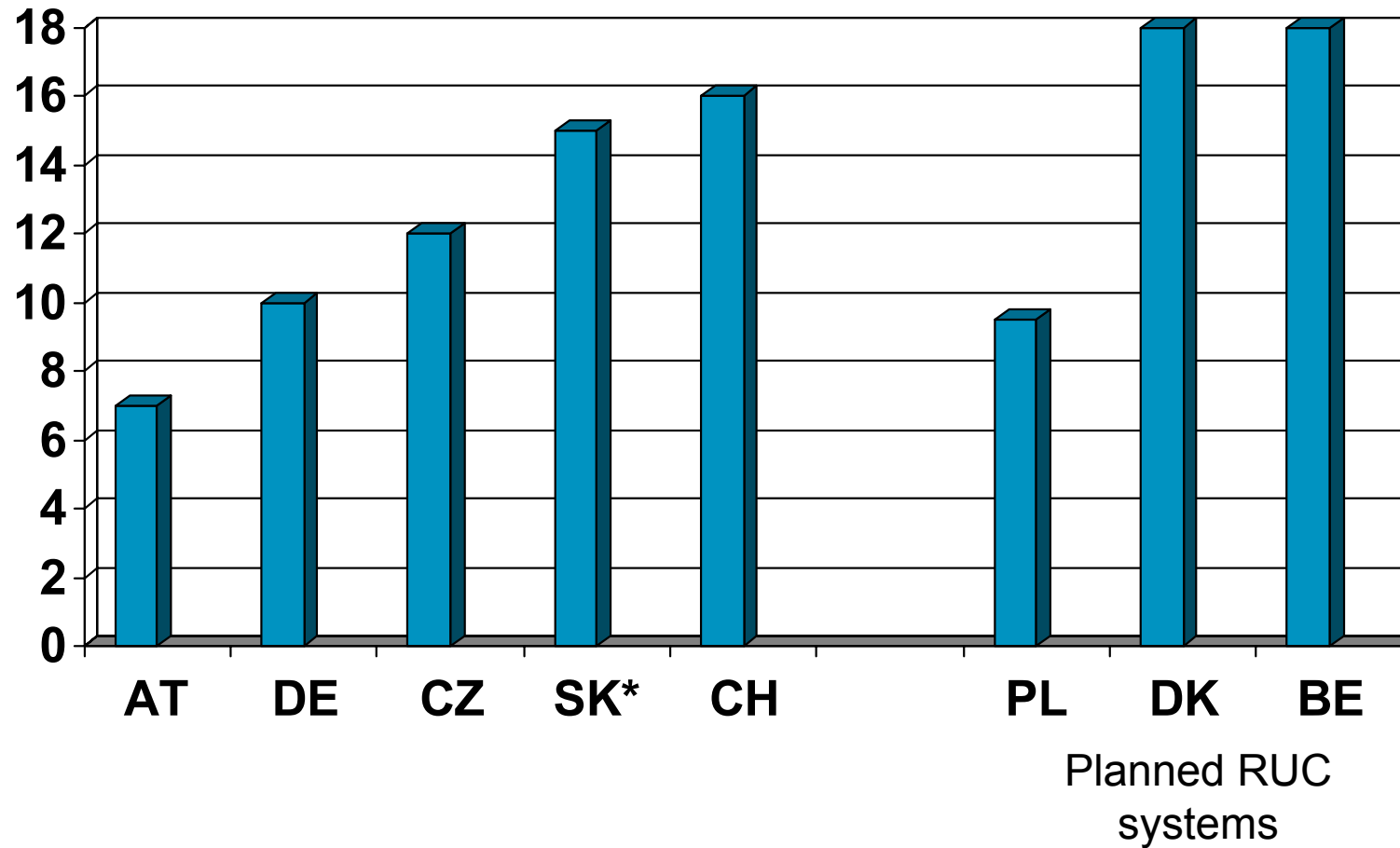


PL\* = in preparation, F\*\* = supplementary network, in preparation



## Lessons learned from the past

Number of years in a vignette scheme before going over to a km-based RUC system



\* Best guess

## Lessons learned from the past

- Number of countries directly going to km-based RUC system

0

- Percentage of countries going to a time-based RUC system first

100%



## Lessons learned from the past

### ■ Preparation

- Win broad support in the population (e..g. NL: Nauwen accord, BE: MORA)
- Show the benefits to the population (e.g. better roads, less traffic jams)
- (Partly) compensate the new tax/fee (e.g. restructuring the car tax system)
- Create a sound legal basis for RUC
- .....

### ■ Call for tender

- Take utmost care in the preparation and conduct of the procedure  
Otherwise it may result in postponements and cancellations
- Take a system approach which suits the country
- Go for functional requirements
- Choose a private service provider (-> speed, experience, financing)
- Prudently allocate risks
- .....



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## Introduction

- Nation-wide road charging system in

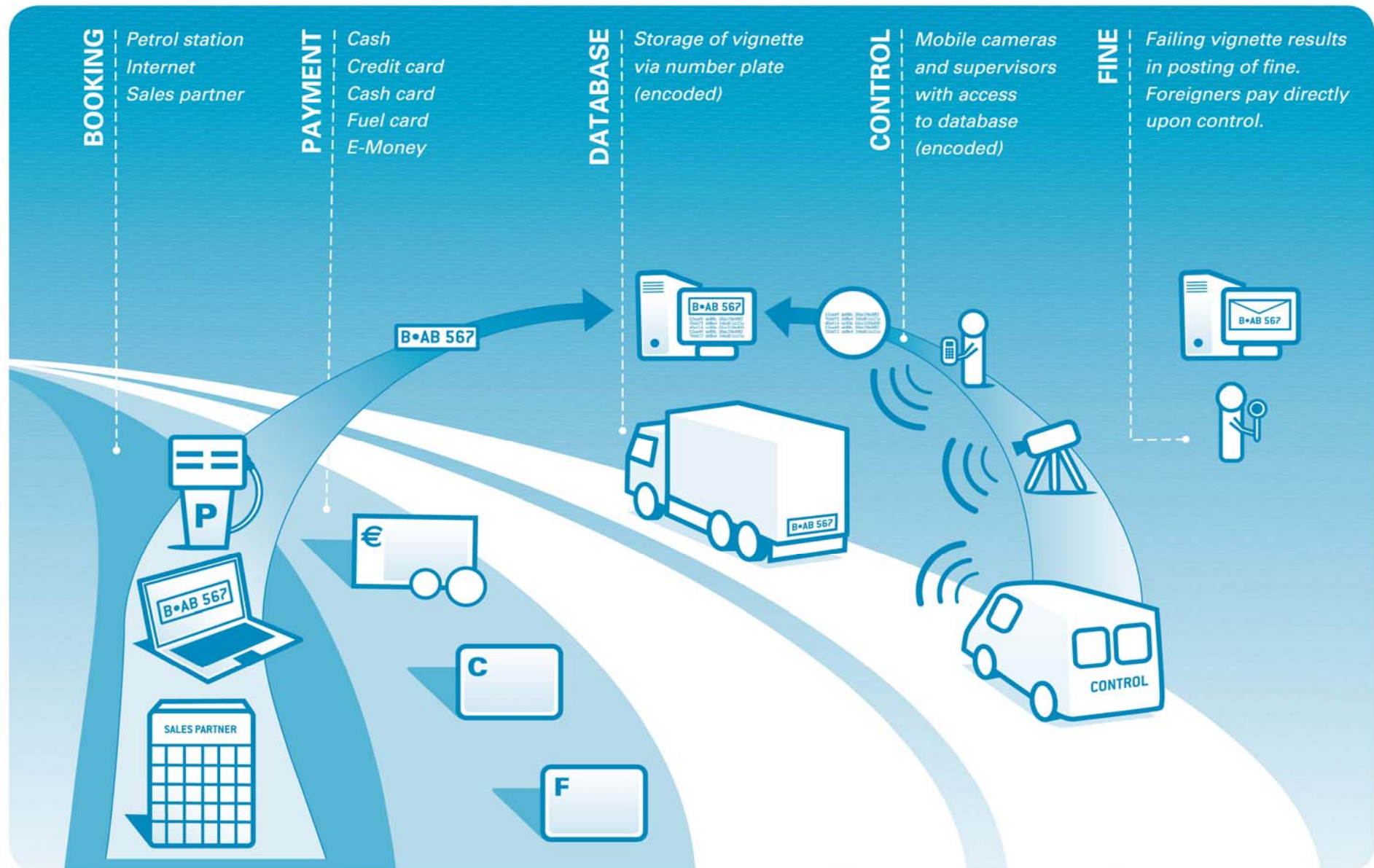


- Its nature as a supra-national treaty among sovereign states is unique in road charging and other fields of politics
- Time-based system in form of an electronic vignette which is mutually recognized in all 5 countries
- Validity ranges from a day up to a year
- For HGV > 12 t on Trans European Network – TEN (mostly)
- Paper vignette operative since January 1995; new electronic system as of October 2008
- In November 2007, after a public tender, AGES was awarded the contract to design, build, finance and operate the new electronic Eurovignette as of Oct. 2008

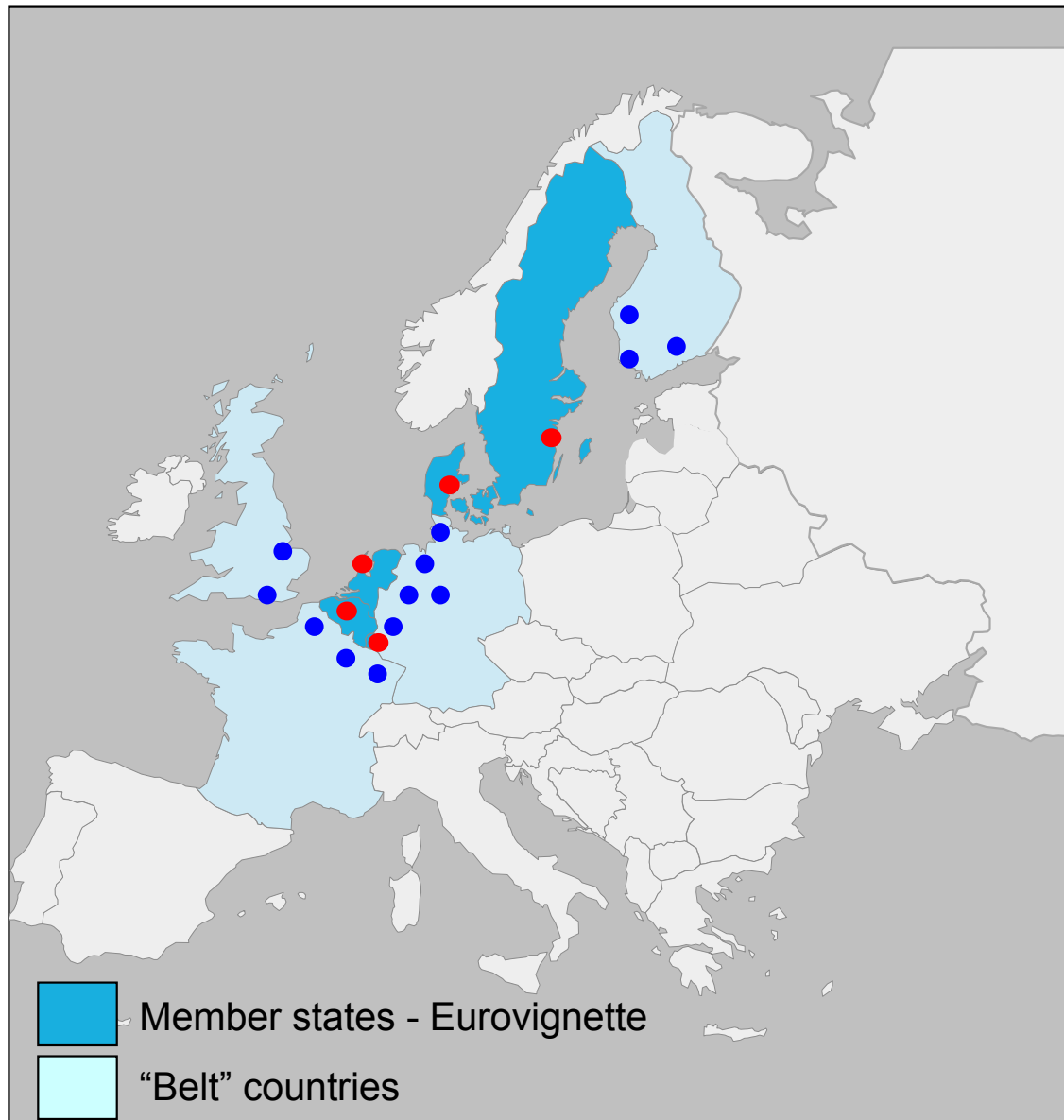




## Functioning



## Booking – The point-of-sale network



- 800 PoS approximately
- 5 member states ●
- 4 belt states ●
- 3 time zones
- 8 contracts with national Telcos
- 12 oil companies – business relationships



## Booking - The terminals



### General

- Standard payment terminal
- 3 modes of connections: Landline, W-LAN, GPRS
- Own software development

### For booking

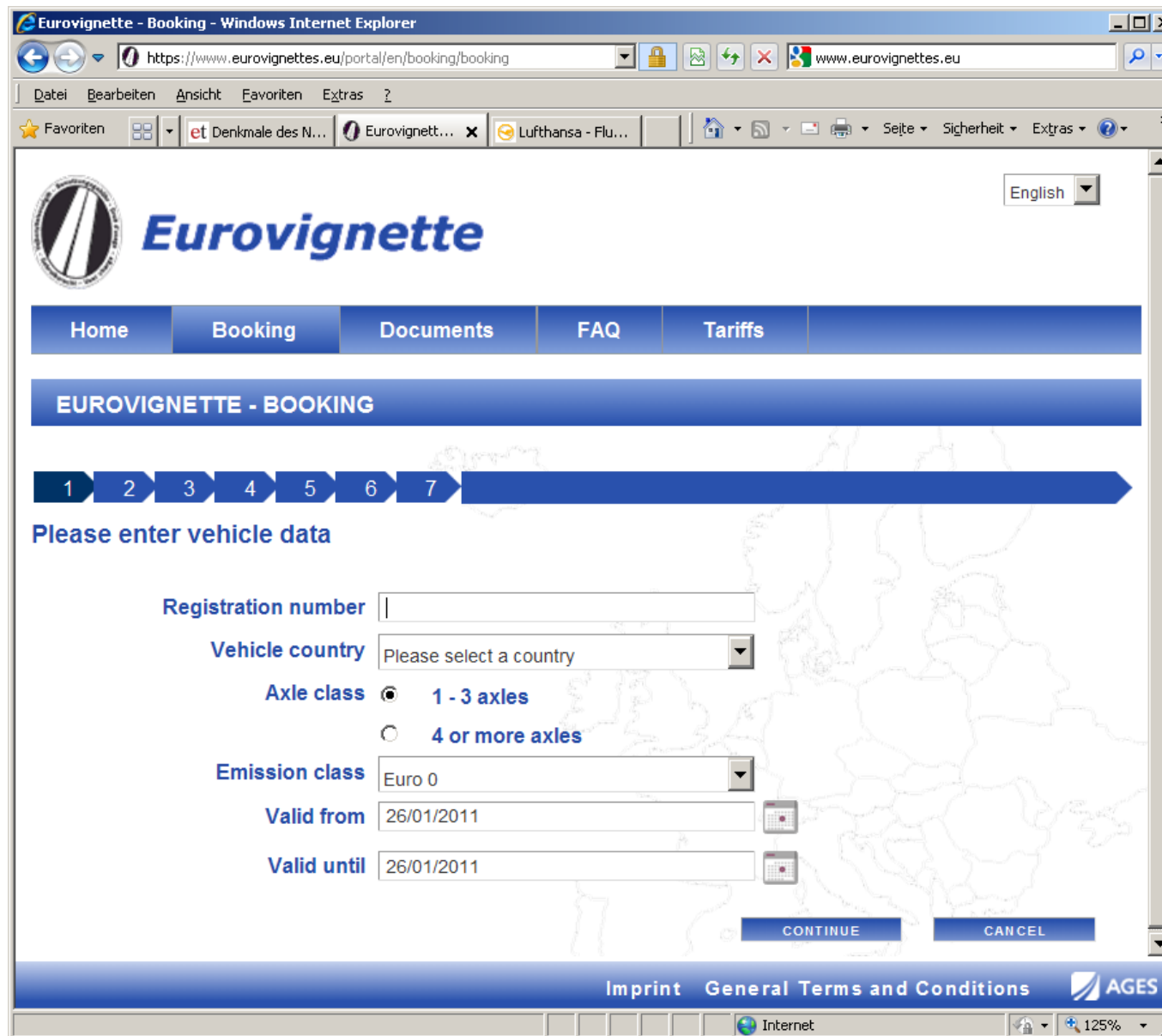
- 900 PoS terminals in fuel stations and on ferries

### For enforcement on the road

- 100 mobile terminals for control forces



## Booking - The Internet portal eurovignettes.eu



- As of 1 Jan. 2010
- 4 Languages
- 8 Fleet cards
- 2 Credit cards
- High acceptance



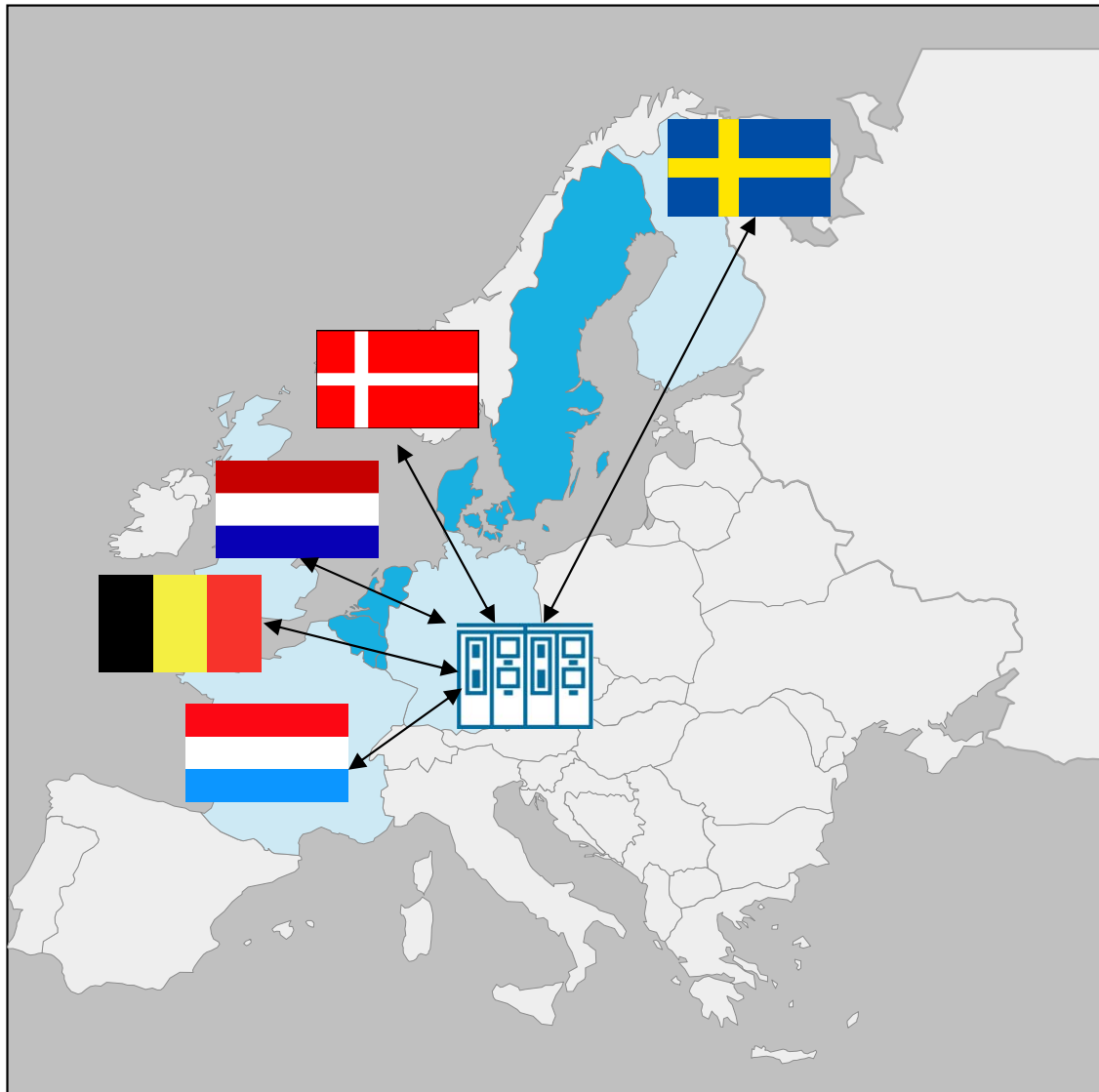
## Payment



- 4 currencies (€, DKK, SEK, GBP)
- 15 fuel card issuers
- 2 credit card issuers
- 9 countries where AGES collects cash
- 1 authorization system
- Bearing of defaulting risk



## Database



- 1 control center in Germany
- 1 call center (tech. + com)
- 6 languages
- 1 back office system

## Booking Data

- License plate number / nationality
- Vehicle attributes: number of axles, pollution class
- Period of validity
- No personal data!



## Enforcement

- **Functionality: AGES provides 24/7 access to the Eurovignette database for control forces**
- **Techniques employed: Fixed, Portable, Mobile with terminals**
- **Terminals: a) provided by AGES, b) own equipment**
- **Benefits**
  - Very high enforcement rates feasible
  - Unproblematic implementation of data protection requirements
  - Clear identification of frequent toll evaders
- **The enforcement is handled differently in the member states in accordance to their national laws (->Personnel, amount of fines, employed technique)**



## Lessons learned

- No public discussions
- No problems with the EU commission
- No delays in the call for tender procedure
- No delays in implementation
- Good acceptance of the system
- Good acceptance of the internet portal





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## Goals and hints

### ■ Key Design factors

- Eligible vehicles: Trucks above 3.5t or 12t? Exemptions?
- Eligible network: Ten-T network
- Tax or fee? General budget or state road fund?

### ■ High revenue

- Apply 2006 Eurovignette tariff list
- Limit number of exemptions
- Choose for an optimal design of tariff differentiation (-> environment)

### ■ Low operating costs

- DBFOM (Design, build, finance, operate, maintain) of RUC system by a private firm within a PPP-model
- No customer registration
- Avoid costly frills (e.g. SMS-booking)
- Define a clear set of refund reasons





## Goals and hints

### ■ **Good acceptability among the users**

- Offer multiple ways of booking a vignette. Foster the internet. Include existing systems for UK vehicles
- Sell vignettes in Ireland, France, Belgium and on ferry boats to UK
- Give the possibilities for flexible usage periods
- Include fuel cards
- Lead dialog with the groups concerned

### ■ **Fairness by effective enforcement**

- The main load of controls should be carried out by portable cameras
- Include other/existing ways of controlling
- Try to control and stop foreign trucks in the vicinity of UK harbors

### ■ **Participation of foreigners**

- Integrate them in a non-discriminatory way
- Let them pay a fair share of the cost caused by them





**Thank you very much for your attention!**

**I will be delighted to answer your questions.**

**Dr. Ludger Linnemann**

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