



Regional European Electronic Toll Service REETS DAY

ACTIVITY 1: Contractual Framework and Risk Management

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Activity &: Scope and Deliverables REETS

Contractual Framework and
Risk Management

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D 1.1

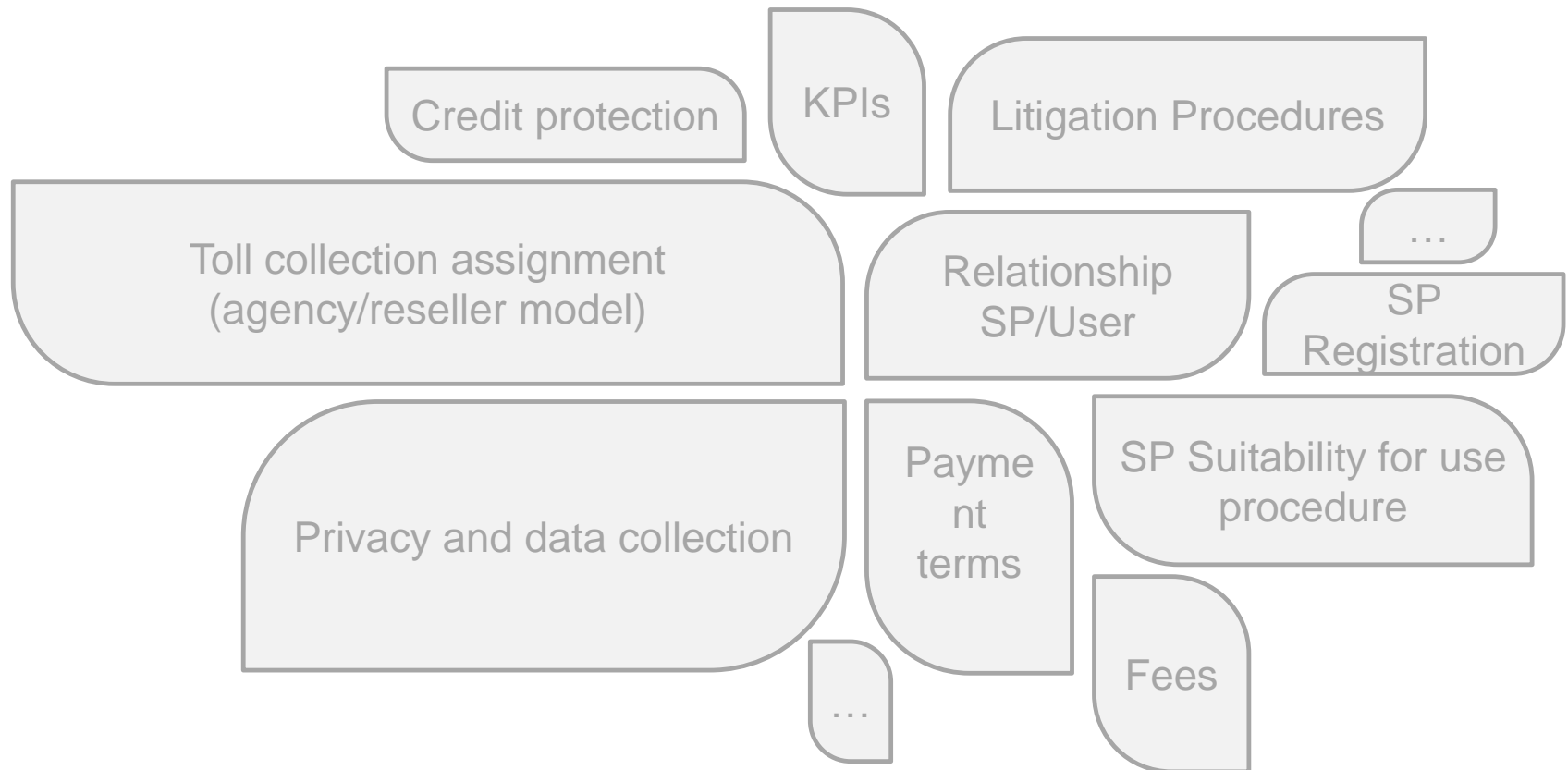
Description of a
Contractual
Framework

D 1.2

Description of Risks
and Mitigation
Measures

Activity 1: D 1.1 results and findings

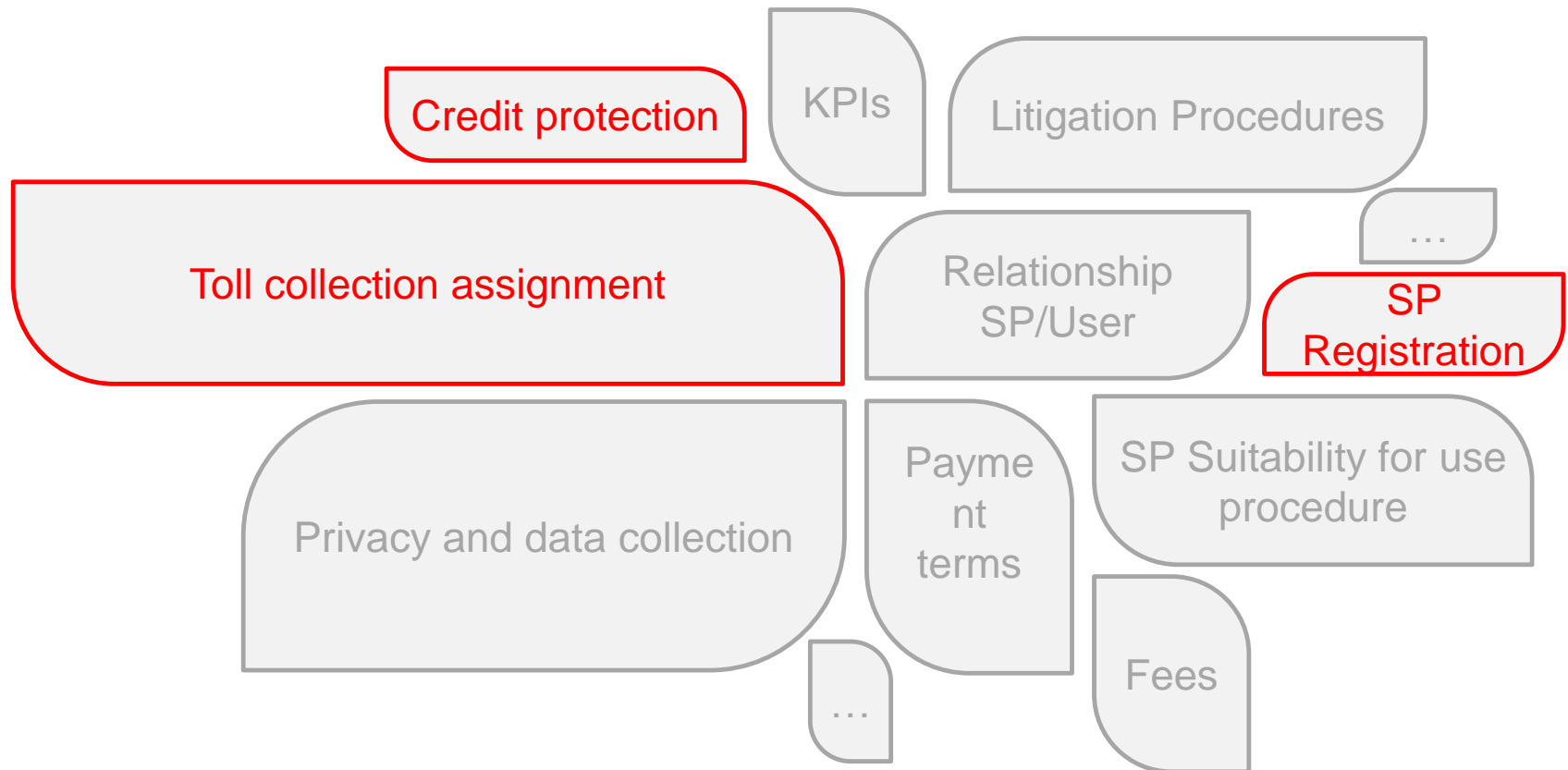
- Identifying in a TC-SP contractual and legal environment, main challenging issues that might hinder the implementation of EETS...



Activity 1: D 1.1 results and findings



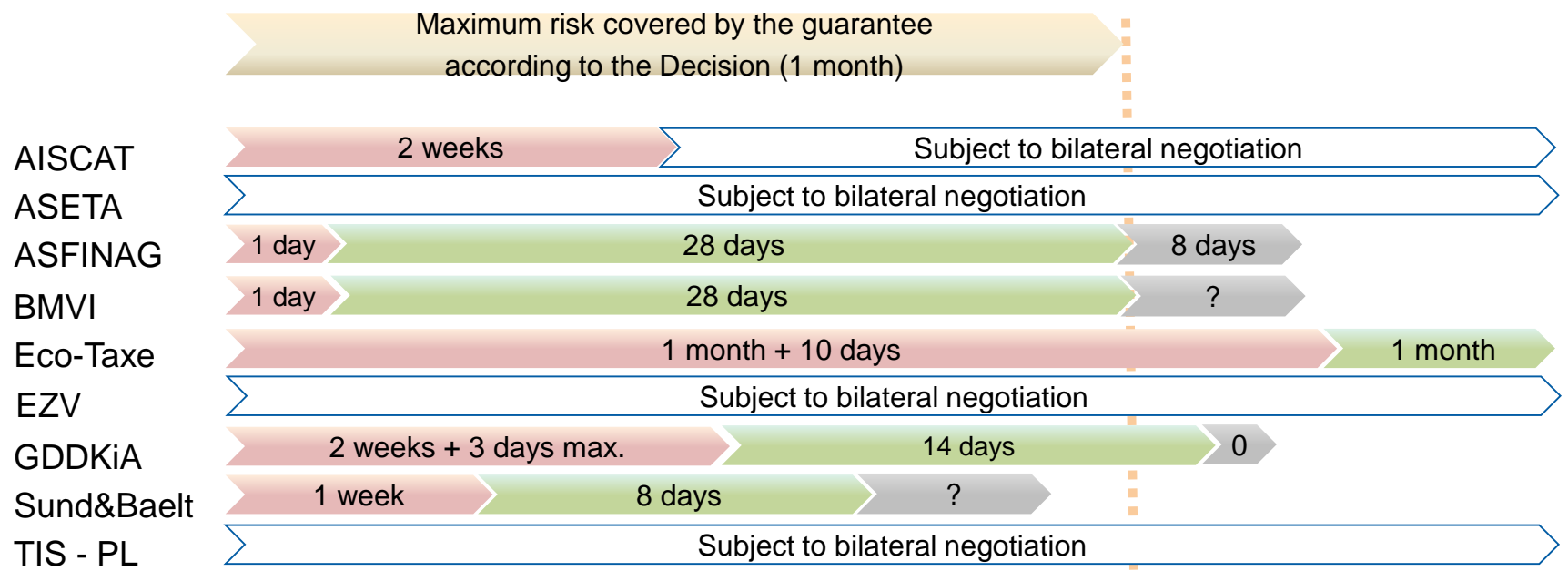
- Identifying in a TC-SP contractual and legal environment, main challenging issues that might hinder the implementation of EETS...



Activity 1: D 1.1 results and findings

■ Credit protection and related barriers

- Cost and administrative burden of different credit protection tools
- The amount of credit protection is difficult to reduce: the “average monthly toll transaction amount” settled as a maximum by the Decision does not always cover the TC’s credit risk:



KEY : Step 1: between the first circulation and TC's invoice Step 2: between TC's invoice and payment by the EP Step 3: between non payment and contract termination

Activity 1: D 1.1 results and findings

■ **Recommendations and proposed measures**

- In many Toll Domains (and in the Decision) the bank guarantee is the favorite or the only mentioned credit protection tool
- Alternative credit protection have been identified (cash collateral account, credit default insurance paid by TCs...): hence, bank guarantee should be regarded as a fallback solution (in case of conciliation for example)
- And when a bank guarantee (or other costly credit protection mean) is requested, it should be considered in the SP's remuneration

■ **Benefits of the recommendations**

- Reduce the cost of credit protection, and when not possible, take it into account in EP's remuneration

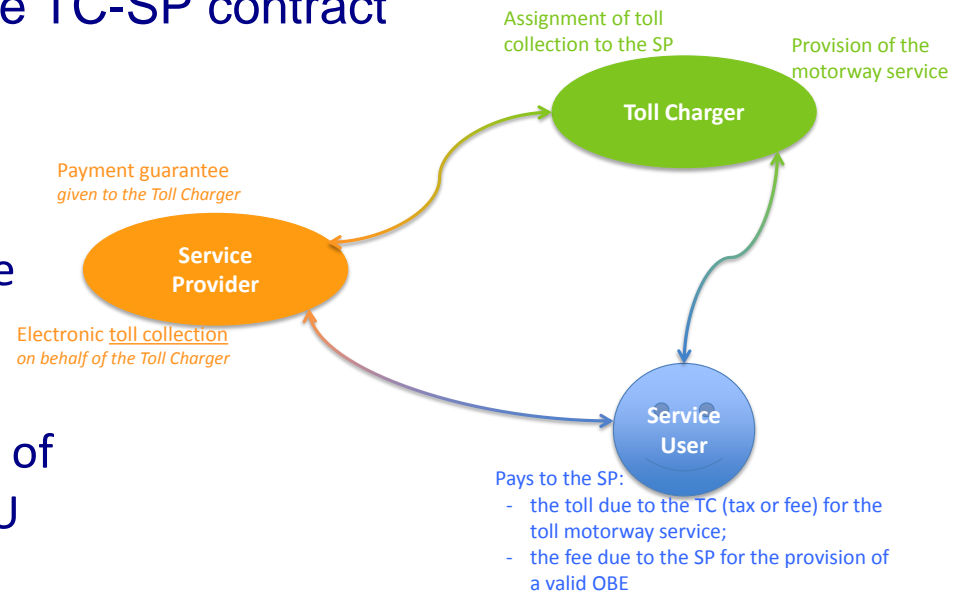
Activity 1: D 1.1 results and findings

■ Toll collection assignment and related barriers

- Qualification and cause of the TC-SP contract

■ Recommendations and proposed measures

- Avoid inappropriate/incomplete qualifications
- Consider TC-SP contract as part of a complex relationship TC-SP-SU



■ Benefits of the recommendations

- Ability to adapt TC-SP contract to real and various Toll contexts

Activity 1: D 1.1 results and findings

■ **SP Registration and related barriers**

- What consequences in case of lack of compliance with obligations set by Article 4 of Decision 2009/750/CE?

For instance, risk of loss of EETS Provider status at the expiration of the 30-month delay (24+6)?

■ **Recommendations and proposed measures**

- Difference between Rights & Obligations (Art.4) and Conditions to become an EETS Provider (Art.3)
- Failing to fulfill EPs obligations should not lead to a de-registration, contrary to what the Application Guide mentions: Application Guide should be amended and MS in charge of registration should remain “understanding”

■ **Benefits of the recommendations**

- Remove the threat on EP’s business if the 30 month deadline is not met: no stakeholder would benefit of EP’s de-registration

Activity 1: D1.2 Results and findings REETS

- **From a typology of risks**
 - *Legal, Compliance/Technical, Financial, Operational, HR/Staff, Reputational, Market, Business*
- **... 12 risks identified + attached mitigation actions**
- **... in order to offer a framework for a SP Global Risk Management Plan**



REETS

Regional European Electronic Toll Service



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