[F1ANNEX III

CORE PRINCIPLES FOR THE ALLOCATION OF COSTS AND CALCULATION OF TOLLS

Textual Amendments

F1 Inserted by Directive 2006/38/EC of the European Parliament and of the Council of 17 May 2006 amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures.

[F2This Annex stipulates the core principles for the calculation of weighted average infrastructure charge to reflect Article 7b(1). The obligation to relate infrastructure charges to costs shall be without prejudice to the freedom of Member States to choose, in accordance with Article 7b(2), not to recover the costs in full through infrastructure charges revenue, or to the freedom, in accordance with Article 7f, to vary the amounts of specific infrastructure charges away from the average.**]**

Textual Amendments

F2 Substituted by Directive 2011/76/EU of the European Parliament and of the Council of 27 September 2011 amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Text with EEA relevance).

The application of these principles shall be fully consistent with other existing obligations under **[**F2Union**]** law, in particular the requirement for concession contracts to be awarded in accordance with Directive 2004/18/EC and other **[**F2Union**]** instruments in the field of public procurement.

Where a Member State engages in negotiations with one or more third parties with a view to establishing a concession contract regarding the construction or operation of a part of its infrastructure, or in view of this purpose engages in a similar arrangement based on national legislation or an agreement entered into by the government of a Member State, compliance with these principles shall be judged on the basis of the outcome of these negotiations.

1. Definition of the network and of vehicles covered

— Where a single tolling regime is not to be applied to the whole TEN road network, a Member State shall specify precisely the part or parts of the network which are to be subject to a tolling regime as well as the system its uses to classify vehicles for the purposes of toll variation. Member States shall also specify whether they are extending the scope of their tolling regime to cover vehicles below the 12-tonne threshold.

— Where a Member State chooses to adopt different policies regarding cost recovery for different parts of its network (as permitted under **[**F2Article 7b(2)**]**, each clearly defined part of the network shall be subject to a separate calculation of costs. A Member State may choose to split its network up into a number of clearly defined parts so as to establish separate concession arrangements or similar for each part.

2. Infrastructure costs

2.1. Investment costs

— Investment costs shall include the costs of construction (including financing costs) and the costs of developing the infrastructure plus, where appropriate, a return on the capital investment or profit margin. Costs of land acquisition, planning, design, supervision of construction contracts and project management, and of archaeological and ground investigations, as well as other relevant incidental costs, shall also be included.

— The recovery of construction costs shall be based on either the design lifetime of the infrastructure or such other amortisation period (not being less than 20 years) as may be considered appropriate for reasons of financing through a concession contract or otherwise. The length of the amortisation period may be a key variable in negotiations regarding the establishment of concession contracts, particularly if the Member State concerned wishes, as part of the contract, to set a ceiling regarding the weighted average toll applicable.
— Without prejudice to the calculation of investment costs, the recovery of costs may:
  — be apportioned evenly over the amortisation period or weighted to the early, middle or later years, provided that such weighting is carried out in a transparent manner,
  — provide for indexation of tolls over the amortisation period.
— All historic costs shall be based on the amounts paid. Costs which are still to be incurred will be based on reasonable cost forecasts.
— Government investment may be assumed to be financed borrowings. The rate of interest to be applied to historical costs shall be the rates that applied to government borrowings over that period.
— Costs shall be apportioned to heavy goods vehicles (HGVs) on an objective and transparent basis taking account of the proportion of HGV traffic to be carried on the network and the associated costs. The vehicle kilometres travelled by HGVs may for this purpose be adjusted by objectively justified ‘equivalence factors’ such as those set out in point 4[(1)].
— Provision for estimated return on capital or profit margin shall be reasonable in the light of market conditions and may be varied for the purpose of providing performance incentives for a contracted third party with regard to quality of service requirements. Return on capital may be evaluated using economic indicators such as IRR (internal rate of return on investment) or WACC (weighted average cost of capital).

2.2. Annual maintenance costs and structural repair costs

— These costs shall include both the annual costs of maintaining the network and the periodic costs relating to repair, reinforcement and resurfacing, with a view to ensuring that the level of operational functionality of the network is maintained over time.
— Such costs shall be apportioned between HGV and other traffic on the basis of actual and forecast shares of vehicle kilometres and may be adjusted by objectively justified equivalence factors such as those set out in point 4.

3. Operating, management and tolling costs

These costs shall include all costs incurred by the infrastructure operator which are not covered under Section 2 and which relate to the implementation, operation and management of the infrastructure and of the tolling system. They shall include in particular:

— the costs of constructing, establishing and maintaining toll booths and other payment systems,
— the day to day costs of operating, administering and enforcing the toll collection system,
— administrative fees and charges relating to concession contracts,

— management, administrative and service costs relating to the operation of the infrastructure.

The costs may include a return on capital or profit margin reflecting the degree of risk transferred.

Such costs shall be apportioned on a fair and transparent basis between all vehicle classes that are subject to the tolling system.

4. Share of goods traffic, equivalence factors and correction mechanism

— The calculation of tolls shall be based on actual or forecast HGV shares of vehicle kilometres adjusted, if desired, by equivalence factors, to make due allowance for the increased costs of constructing and repairing infrastructure for use by goods vehicles.

— The following table gives a set of indicative equivalence factors. Where a Member State uses equivalence factors with ratios differing from those in the table, they shall be based on objectively justifiable criteria and shall be made public.

Vehicle class[a]	**Equivalence factors**		
	Structural repair[b]	**Investments**	**Annual maintenance**
Between 3,5 t and 7,5 t, Class 0	1	1	1
> 7,5 t, Class I	1,96	1	1
> 7,5 t, Class II	3,47	1	1
> 7,5 t, Class III	5,72	1	1

a See Annex IV for the determination of the vehicle class.

b The vehicle classes correspond to axle weights of 5,5, 6,5, 7,5 and 8,5 tonnes respectively.

— Tolling regimes which are based on forecast traffic levels shall provide for a correction mechanism whereby tolls are adjusted periodically to correct any under or over-recovery of costs due to forecasting errors.**]**

(1) [F1The application of equivalence factors by Member States may take account of road construction developed on a phased basis or using a long life cycle approach.]

Textual Amendments

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