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Rodoviárias IP

# ANNUAL REPORT 2010



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RELATÓRIO  
E CONTAS  
**2010**

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MANAGEMENT  
**REPORT**  
*2010*

## 1.1. Message from the Executive Board

The present document intends to describe the activities of InIR IP in 2010, depicting in the best possible way the activities developed throughout the fiscal year with the instruments at its disposal.

But it is more than that.

We would also like to take the opportunity to make a brief summary balance of the last 3 years, in other words, of the first 3 years of the Institute, and of the Management Agreement signed between the members of the Executive Board and the Ministry of Public Works, Transports and Communications, pointing out certain aspects which, in the understanding of the Executive Board, should not be forgotten, and thus deserve to be highlighted and duly framed within this Introductory Note.

InIR IP was created as a Public Institute with administrative autonomy, within the scope of Public Administration but in counter cycle with the measures conceptually proposed in the PRACE. It would only ensure its financial autonomy in 2010, although only in its 1st complete fiscal year did it depend on funding from the State Budget.

In fact, and contrary to what the implementation of PRACE was, pursuing an approach that “Less State, better State”, InIR IP appeared to fill an important gap in the organisation of the State in general, and within the scope of regulating the road sector in particular, as it made it possible to highlight and provide autonomy to the regulating function apart from the operational function, contrarily to what happened in JAE and in the institutions that followed it. Thus, it was about contributing to a context of a “better State”, apparently against a dynamics of restraint and optimization of human resources, in particular translated mostly by mergers, restructurings and the extinction of public bodies, according to the concept of “less State”.

In this regard, it should also be mentioned that, dating back to the end of the 1990s, in the Annual Minutes of the former-Higher Council for Public Works and Transportation (CSOPT) there is a report produced for the Ministry of Public Works of that time pointing towards the need

of separating the regulatory and operative functions in the road sector, considering that JAE was posing as a judge in its own cause because, in addition to regulating and standardising the sector, it was also building and preserving the national roadway network.

It is exactly this dynamics of restraint and optimization of resources that is considered the first major challenge, plus the expectations following the creation of the Institute, which, additionally, as it represented the conceding State, definitely needed to complete its permanent staff with the highest level of professional competences and skills in order to protect public interest in a difficult and well accompanied dialogue, on behalf of its stakeholders which include, naturally and in first place, the concessionaires.

Additionally, and for the very first time in our country, InIR IP materialised the role of Regulator for the road sector, even more so as the role of the State in the sector, traditionally represented by JAE and by all the following entities, was definitely far from the attributions of a general concessionaire, meanwhile created within the scope of the new Model of Management and Financing, the EP SA.

In a fully contractualised market such as this one, technical and economic regulation consists, thus, of the challenge of developing a culture of independence, not just at an operational level, but at a political level as well, with regard to the position of contracted regulation, characterised by an enforcement of contracts, along with the gradual development of instruments that may allow for the progressive regulation of prices, even if it implies contractual modifications.

A second challenge for InIR IP, so that it could achieve its own positioning and so that it could influence the sector, follows from the circumstance that InIR IP materialises this new concept, even if taking up references of national excellence in other sectors (energy, telecommunications, water supply and waste management) but it is difficult to understand ab initio, and in face of the historical weight of JAE and all those entities that followed, which lasted and lingered over many decades of “majestic” influence over Society in general.

Thus, the acceptance of a new management model for the sector, and obviously for InIR IP itself, contained in itself all the fears and resistances underlying every paradigm shift, conditioning to a certain extent the agility required for the swifter construction of a credible image, which would facilitate public acceptance, with two-way effects in edifying its indispensable soundness and stabilization as an Institution.

Thus, and over these three years of existence, InIR IP consolidated its initiatives with the speed of one who intends to “travel” safely and firmly, firstly developing the activities that were clearly indispensable for the sector, trying to meet the needs in the proportion of its human and financial potential, well aware that the Mission entrusted to it by the Government and the Management Contract for each of its Board Members were the basic guidelines for its actions.

A careful analysis both of the activities of InIR IP, tout court, as well as of the Management Contract for its Board members easily translates, and with all necessary evidence, that the goals attained fully translate the fulfilment of the defined goals and targets, as shown by the analysis carried out in the next chapter.

It should also be added that in some aspects, namely regarding the management of concession contracts, InIR IP widely exceeded the existing expectations at the date of the new Management and Financing Model for the road sector, as such expectations were exclusively focused on the management of the Concession Contract of the general concessionaire, the EP SA, and finally InIR IP is presently carrying out, without significant additional human resources, the management of 16 contracts with the State throughout these 3 years, out of which, 3 contracts are highly complex as they deal with concessions with construction risks.

This means that the Management and Financing Model for the sector, still not yet fully stabilised and presently being reviewed, according to the joint Order from the Ministry of the State and Finances and the Ministry of Public Works, Transports and Communications (Ministerial Order 18332/2010, of November 29th) was undoubtedly one of the most important explanatory variables in the performance of the Institute that had to face, and is still undergoing, complex adaptations in face of the



stiffness that characterises its Status, which is actually inherent to that of Public Administration to which it belongs and the context in which it occurs.

However, InIR IP was able to carry out an important activity in the field of normative technical production, by trying to inform, to update and to technically guide the road sector regarding the best practices at national and international level to be pursued by operators. In this domain, more than twenty documents were made available over these three years, from technical standards to guides of procedure and manuals, whose application frequently goes beyond the concept of National Road and so they are thus also an added benefit for Municipalities and for the roads under their jurisdiction.

Translating the result not just of the systemic technical involvement of the national Roadway Authority with its European as well as worldwide counterparts, but also the work performed in partnership in European Innovation and Development projects, in which Portugal has been represented by InIR IP and which has provided relevant credits for our Country and the Institution. It should be mentioned in this regard that the participation of InIR IP, which in some cases has been awarded, made it possible to leverage an unequivocal dynamics of modernization in the sector, and of its agents, that is clearly acknowledged and never experienced before.

Just a couple final words, one for the stakeholders that the Articles of Association integrated into the Consulting Council. Although within the domain of the Governance culture of the Country this is merely a symbolic entity, the dynamics of its Chairman, Francisco Murteira Nabo, and of the private and public entities should be highlighted, which for their participation and dynamics made it possible to hold four meetings with profitable debates on the Management Model for the Sector and specific Activities for InIR IP, thus making it possible to prioritise the activities of InIR IP, beyond the strictly financial rational.

Last, a word for all the collaborators upon whom depend the daily efforts to pursue the goal of better performance in the national roadway networks.


To all of them, the Deepest Gratitude of the Executive Board.

Lisbon, February 28th 2011


## The Executive Board, InIR IP



Alberto Conde Moreno  
President



João Sousa Marques  
Vice-President



Rosário Rocio  
Member



## 1.2. Main Indicators

### 1.2.1. Indicators from the Management Agreement

As a result of the strategic guidelines defined for InIR IP, a model was created to establish objectives for three years, from 2008-2010, based on a group of indicators that evaluate the level of completion of specific guidelines. InIR IP's objectives that are common to all Executive Board members for the year 2010 are described in Tables 1 and 2 and are defined in the following manner:

- **Coverage ratio of costs by own income**
  - Ratio between own operational income and operational costs, excluding subsidies. Amounts expressed according to the Profits and Loss Account.
- **Supervision or inspection actions**
  - Number of inspections to open new circuits for roadway traffic; inspections to verify on site compliance with works execution projects, as per the terms of applicable regulations and other standards regarding works developed in the operating network; and of planned and extraordinary inspections to the operating networks in terms of roadway safety and operating conditions.
- **Operational Costs per regulatory act**
  - The figure calculated for 2009 is used as a referential for 2010.

- **Contribution to the Sector's Development**

- number of published documents whose purpose is to regulate the design, conservation, management, operation and inspection of the roadways infrastructure sector, as well as the users' rights; or documents that highlight the sector's evolution or that propose measures aimed at improving the quality of performance of the concessionaires, network operators.

- **Level of budgetary compliance**

- Relationship between the amount of the executed expenditure and the operating budget, as approved for execution. Cost reducing measures were followed according to Government guidelines, whereby a compliance rate below 100% means that there was compliance with the guidelines received.

- **Implementation of an evaluation system**

- Compliance with actual application of the performance evaluation system for Public Administration Services. (SIADAP) and constitutes the ratio between the number of workers evaluated and the number of effective workers subject to evaluation.

- **Tracking the resolution of user complaints**

- The ratio between the number of complaints that are made directly to InIR IP regarding the national roadway network under the responsibility of the managing entities and the number of settled complaints; considering that managing user's complaints includes the intervention of the Concessionaires. The indicator does not include the last month of the year.

The tables with the global annual goals and the multi-annual goals and the respective results are shown in the following tables:

GLOBAL ANNUAL GOALS	CALCULATION FORMULA	UNIT	Weight	2008		2009		2010		
				FIGURE TO ACHIEVE	FIGURE ACHIEVED	FIGURE TO ACHIEVE	FIGURE ACHIEVED	FIGURE TO ACHIEVE	FIGURE ACHIEVED	
A1	Cost Coverage Rate by Own Income	Own Operational Income / Operational Costs	%	20%	60%	124%	100%	122%	100%	114%
A2	Increase supervision / inspection initiatives	Includes planned audits, planned and unplanned inspections	n°	16%	30	42	45	55	60	61
A3	Operational Cost per Regulatory Act	Operational Costs / No. Regulatory Acts	€x 1000	15%	n.d.	n.d.	n.a.	21	19	17
A4	Contribution towards the Development of the Sector	No. of Sectoral Reports published	n°	16%	1	2	2	3	2	2
A5	Degree of Budgetary Compliance	Executed operational expenses / Budgeted operational expenses	%	18%	100%	61%	100%	73%	100%	81%
A6	Implementation of the Assessment System	Degree of effective implementation of the assessment system	%	15%	100%	100%	100%	100%	100%	100%

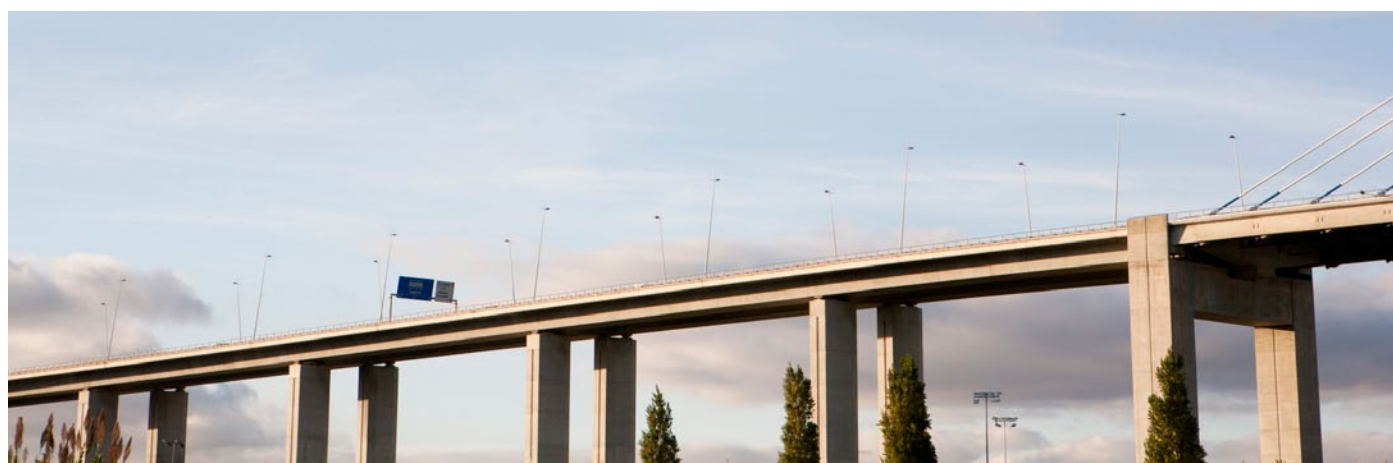
Table 1 – Annual Management Goals



MULTI-ANNUAL GLOBAL GOALS	CALCULATION FORMULA	UNIT	WEIGHT	2008		2009		2010	
				FIGURE TO ACHIEVE	FIGURE ACHIEVED	FIGURE TO ACHIEVE	FIGURE ACHIEVED	FIGURE TO ACHIEVE	FIGURE ACHIEVED
P1 Contribution towards the Main Options of the Plan (GOP), Simplex actions and fulfilment of the Average Payment Deadline (APD)	Degree of fulfilment of the initiatives foreseen in the Main Options of the Plan, Simplex actions and APD	%	16%	100%	100%	100%	100%	100%	100%
P2 P2 Service Quality (b)	Average deadline of response days per type of doc, weighted by the No. of regulatory acts	days	18%	n.a.	n.d.	n.a.	30	27	16,2
P3 Performance of the Sustainability index for Public Entities (MOPTC) (b)	Value of the Sustainability index for Publ. Ent. MOPTC by the end of the period	pts.	18%	5000	(a)	6500	(a)	7500	(a)
P4 Organizational Environment Indicator	Qualitative assessment of shareholders based on the evolution of the survey on the Environment of Organizational Culture	pts.	15%	4	(a)	4	(a)	4	(a)
P5 Follow-up on User complaints	No. of Compl. Settled / No. of Compl. Received	%	18%	90%	100%	95%	96%	100%	100%
P6 Contribution towards the strategic development	Qualitative assessment of shareholders based on the evolution of their contribution and influence	pts.	15%	4	(a)	4	(a)	4	(a)

[a] To be determined by the Ministry of Public Works, Transports and Communications (MOPTC).  
 [b] The 2009 amount is used as an improvement reference, thus the indicator is not applicable for that year.

**Table 2 – Multi-annual Management Goals**



Regarding the contribution of InIR IP's activities towards the global multi-annual goals described in the last table: P1 – contribution towards the Government's Main Option of the Plan (GOP), simplex measures and compliance with the average payment period. (which is 60 days) and P6 – Contribution towards the strategic evolution of the sector, an analysis was carried out on the contribution of InIR IP's activities towards the policies defined by the Programs of the 17th and 18th Constitutional Governments and for the Main Options of the Plan (2005-2009 and 2010-2013). We may conclude that the contribution of InIR IP towards the policies and orientations defined for the road sector justify that the maximum grade be attributed to those goals (P1 -100% and P6 – 4).

It can, thus, be seen that, in three years of mandate, most goals were systematically achieved/exceeded regarding the annual and multi-annual goals defined by the Ministry of Public Works, Transports and Communications.

The above mentioned analysis is described below.





## 1.2.1.1. Priorities defined in the Programs of the Government

According to the Governmental Program, the strategic vision for the sustainable mobility policy in the field of Transports and Public Works, can be summarised in five main goals:

- **Goal 1** – increase the quality of life of the Portuguese people through the creation, adjusted to the goals of national cohesion, of a solidary system of mobility, with greater comfort, enhanced safety, less total time of displacement and greater reliability.
- **Goal 2** - requalify urban mobility, by promoting sustainable integrated transportation policies into new urban policies.
- **Goal 3** – promote the respect for the environment, either by moving into less polluting modes or by resorting to less aggressive technologies, considering the goals defined by the Kyoto Protocol.
- **Goal 4** - decrease the total transportation costs by fomenting and reinforcing intermodality and through the rational use of transportation modes and of more efficient connections.
- **Goal 5** – efficiently integrate Iberian, European and Transatlantic transportation networks, providing them with coherence and conditions of interoperability, thus reinforcing national competitiveness and the role of Portugal as a logistics platform within the European and Worldwide spheres.

It should be highlighted that, following the goals that were established, the Government committed itself, for the period of 2005-2009, to “increase the efficiency of the entrepreneurial sector of the State by applying



principles of transparency and sound management, with the purpose of decreasing costs and optimising resources, namely by resorting to organic and functional restructurings”, for which the creation of InIR IP and the restructuring of the EP provided its contribution.

Other guidelines from the Program of the 17th Constitutional Government, within the scope of the mobility policy (transverse to all transportation systems), pointed towards the stake of the Government in the following priorities:

- Progressive reduction of the displacement times in the most significant relations of national mobility and of urban areas;

“Thus, the 17th Government takes up as a global goal the progressive decrease of displacement times between first level towns and cities, aiming at achieving maximum periods of 1 hour and a half between Lisbon and Porto and two hours between Lisbon and the district capitals in the South of the Douro River, and between Porto and the district capitals in the North of the Tagus River”<sup>1</sup>.

InIR IP followed the execution of the Concession High-ways of the Douro Litoral (CREP, IC20 and A32), of the Silver Coast and the launching of the subconcession of Pinhal Interior.

- Intensification of intermodality, optimising the global performance of all modes of transportation while promoting their use and less traffic congestion.

“The initiatives to be undertaken shall focus on enhanced coordination between modes of transportation and greater global reliability, ensuring regularity and punctuality, as well as comfort and safety conditions”.

InIR IP followed the connections to the integrated Logistic Platforms in Logistic Portugal, promoting the articulation between different types of transportation.

- Connections with the interior, thus promoting national cohesion and fighting desertification.

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1. The maximum timings shown are based on the assumption of optimal use of various transportation systems serving the above mentioned connections and so they should not be interpreted as exclusive for the road sector.

“Special attention shall be paid to improving transport infrastructures at national level, while considering usage needs as well as a balanced and solidary treatment of all citizens in guaranteeing their mobility”.

InLR IP in strict compliance with its contractual competences followed the preparation of the tender for launching 8 subconcessions of EP, SA, that integrate the roadways network and which main goal is national cohesion, as they promote the connections with the counties of the interior of the country.

- A clear stake in enhanced safety in all modes of transportation and in decreasing road accidents.

“In terms of road safety, the Country must do everything at its reach to achieve the goal of reducing in at least 50% the number of accidents with road deaths during the present Parliamentary term.

So, the stake shall be on creating a civilized road environment and on preventive safety policies. Such policies shall focus upon interventions in road infrastructures and, in particular, in signalling (horizontal and vertical), aiming at completely clearing all “black spots”. Besides direct intervention, the State shall fulfil in a more effective way its regulatory and supervising functions over Concessionaires operation such infrastructures.”

InLR IP promoted changes in subconcession contracts, in order to integrate the obligation of performing Road Safety Audits (ASR) to roadway projects; promoted a Law which was sent to the Ministry to regulate this type of audits, and transposed the Directive 2008/96/CE from the European Parliament and the Council, dated from November 19th 2008, regarding safe management of roadway infrastructures, published under Decree Law No. 138/2010, from December 28th, 2010

It also prepared a group of regulatory documents aimed at improving the safety conditions in the national roadways network.

In the specific case of the Roadway System the main goal of the Program of the Government “ was to solve the capacity related issues, both financial and technical, for executing the National Roadways Plan, by selecting priorities defined by traffic forecasts, by safety requirements and development perspectives”. Within this scope, the Government defined four main measures:

- **Measure 1** – Conclusion of the network of highways, namely the connection to Bragança, as well as the remaining fundamental road network connecting the capitals of district;

InIR IP is responsible for managing the concession contracts for the construction of the highways network, namely the Concession of the Marão Tunnel, which includes a section between Amarante and Vila Real, while also being responsible for supervising all the subconcession contracts related to the construction of the extension of this highway until Bragança and also the construction of the highway between Sines and Beja.

- **Measure 2** – Establishment of a monitoring, modernization and repairs program for all existing national and regional highways, as well as contracting their maintenance;

InIR IP established the quality indicators for all sections of the national roadways network through the Quality Control Plans and Operation and Maintenance Manuals for the concession of EP, SA that includes the network of national and regional roads. During the three year period 2008-2010 it monitored the indicators related to service levels, accidents and environmental externalities.

- **Measure 3** – Institutional Restructuring of the sector, separating the regulation functions from those of licensing and supervision;

The creation of InIR IP falls into this measure carried out by the Government, and which made it possible to separate the role of regulating the sector from the operational position taken up by the EP, SA, as well as making such functions autonomous

Not forgetting the priority goal from the Plan of the Government for the specific case of the Roadway System – “solving all capacity related issues, both financial and technical, for executing the National Roadways Plan” focusing safety, traffic and development issues – by analysing the

coherence between the measures that were established for the Roadway System and the general goals established for the Transports and Public Works policies which frames it, it is seen that all measures focus upon the fulfilment of Goal 1 “enhance the quality of life of the Portuguese people through the creation, adjusted to the goal of national cohesion, of a mobility system that is more solidary, has greater comfort, enhanced safety, less total displacement times and greater reliability”.

Decreasing total transportation costs through connections with greater efficiency. (Goal 4) and requalification of urban mobility (Goal 2) were also considered through the relevant contribution anticipated for the development of Measure 2 “Establishment of a monitoring, modernization and highway repair program for all existing national and regional highways” and of Measure 1 “Conclusion of all Highways as well as of the remaining fundamental road network”.

The analysis of the relevance of the measures of the Roadway System in face of the General Goals in the field of Transportation and Public Works (Program of the Government 2005-2009) is shown in the table on the next page.

The Program of the 18th Constitutional Government (2009-2013) contains aspects with a direct repercussion in the core activities of InIR IP and that coincide with the measures already foreseen in the program of the former Government:

- I.3 – Modernise Portugal;
- I.4 – Regulate the Market. Protect Consumers;
- IV.1 – Sustainable Development and Environment;
- IV.2 – Territory and Urban Planning;
- IV.4 – Regional Development and Territorial Cohesion.

In the specific case of what was mentioned in chapter I.3, we would highlight the specific reference to the road sector and which is transcribed below:

Pursue the fulfilment of the National Roadway Plan and finalise the highways network, namely the connections to Bragança, between Coimbra, Viseu and between Sines and Beja;

Develop the monitoring, modernization and highway repair program for all existing national and regional highways, as well as contract their maintenance;

As far as the shadow toll highways (SCUT) they shall remain as no toll roads, as far as the two conditions that justified their implementation in the name of national and territorial cohesion remain: i) be located in regions which social and economic development indicators remain below the national average; and ii) in case there are no other alternatives offered by the roadway system.



Source "Program from the 17th Constitutional Government 2005-2009"

**Table 3 – Matrix with the contribution of INIR IP towards the Goals and Measures of the Program of the Government**

## 1.2.1.2. Priorities defined in the Main Options of the Plan

The priorities and goals for the sector, defined in the above mentioned policy options were also translated into priorities for public investment, as confirmed by the Main Options of the Plan and the respective Investments Policy.

Out of all the guidelines defined in the Main Options of the Plan 2005-2009, the following policy options are particularly relevant for the roadway infrastructures sector: “3rd Option – Enhance quality of life and reinforce territorial cohesion within a framework of sustainable development”, which coincides with the 4th Option of the Main Options of the Plan 2010-2013.

Within the scope of this option, there were five main goals that were identified for the period 2005-2009:

- **Goal 1** - Enhance the quality of life of Portuguese people through the creation, adjusted to the goal of national cohesion, of infrastructures and transports that may ensure the implementation of an accessibility and mobility system which is far more solidary, has greater comfort, enhanced safety, less total displacement times and greater reliability, as well as environmental concerns that take into consideration the goals established in the Kyoto Protocol;
- **Goal 2** - re-qualify urban mobility, by promoting sustainable integrated transportation policies into new urban policies, decreasing their total costs by fostering intermodality;
- **Goal 3** – efficiently integrate Iberian, European and Transatlantic transportation networks, providing them with coherence and conditions of interoperability, thus reinforcing national competitiveness and the role of Portugal as a logistics platform within the European and Worldwide spheres.
- **Goal 4** - rank Portugal among the best cases worldwide in terms of accessibility, penetration and quality of the telecommunications services provided;
- **Goal 5** – develop a strategy of sustainability for the Construction and for the Real Estate sectors by optimising the regulatory functions

of the State aiming at less bureaucracy and more transparency of procedures, strengthening cooperation and guaranteeing an effective coordination in the definition and implementation of the policies defined in the Program of the Government.

The work developed by the Government, regarding the stabilization of the strategic guidelines and intervention policies, provides evidence of an effective strategic alignment between the Program of the Government and the Main Options of the Plan.

The main differences can be seen in the form of presentation and in the structure of the strategic guidelines. In the case of the Program of the Government, within the scope of the sustainable mobility policy related to the area of transports and public works, the goals are presented in a less structured manner, so those that are systematised are characterised by being relatively more comprehensive in sectoral terms. On the other hand, in the Main Options of the Plan, the goals are presented with a greater degree of specification, duly framed in a more vertical and progressive structure, breaking down the strategic orientations at the level of general and specific measures, for each domain, while establishing, in a logic of planning and commitment, general policies of action and priorities for public investment, in particular at the level of the road sector.



The analysis of the relevance of the Measures of Sustainable Mobility Policy and of the Specific Measures for the Sector of Roadway Infrastructures in face of the Main Options of the Plan is shown in the next table:

		3rd Option - Transports Policy				
		Goal 1 Quality of Life	Goal 2 Urban Mobility	Goal 3 International Networks	Goal 4 Portugal Reference in Telecommunications	Goal 5 Sustainability Sector Real Estate Construction
Sustainable Mobility Policy	Action 1 - Travelling time, plus comfort and quality of life	Very Relevant Contribution	Relevant Contribution			
	Action 2 - Intermodality of transportation modes	Very Relevant Contribution	Relevant Contribution	Very Relevant Contribution		
	Action 3 - Ratio space/time Main Axis Country	Very Relevant Contribution	Very Relevant Contribution			
	Action 4 - Increased Safety	Very Relevant Contribution	Relevant Contribution		Not Relevant Contribution	
	Action 5 - Travelling times Cities	Very Relevant Contribution	Relevant Contribution	Not Relevant Contribution		
	Action 6 - Dynamic and Systematic Planning	Relevant Contribution		Not Relevant Contribution	Not Relevant Contribution	
	Action 7 - Clarify the Regulatory Powers of the State	Very Relevant Contribution			Not Relevant Contribution	Not Relevant Contribution
	Action 8 - Technological Innovation Information and Ticketing System	Very Relevant Contribution	Relevant Contribution		Relevant Contribution	
Roadway Infra-structures Sector	Sp. Action 1 - Fundamental Road Network	Very Relevant Contribution	Relevant Contribution	Not Relevant Contribution		
	Sp. Action 2 - Road monitoring, modernization and repair	Very Relevant Contribution	Relevant Contribution			
	Sp. Action 3 - Road Accidents	Relevant Contribution				
	Sp. Action 4 - Global and structuring funding and management model	Relevant Contribution	Not Relevant Contribution			

Very Relevant Contribution
  Relevant Contribution
  Not Relevant Contribution

**Table 4 - Matrix with the Transports Policy in the Main Options of the Plan**

Still within the scope of the 3rd Option and of the decisive areas for a policy of sustainable development, more specifically regarding mobility and communication, the Main Options of the Plan chose for the area of roadway infrastructures, the following general action policies:

- PA1 - Pursue the fulfilment of the National Roadway Plan (PRN);

InLR IP has been monitoring the fulfilment of the PRN and managing the concession contracts for the construction of the national roadway network.

- PA2 - Give priority to the execution of projects and works connecting the national roadway network to the international network;

InLR IP promoted the execution of an evaluation program for the PRN, with the goal of triggering the preparation of changes to it and/or its review with the purpose of analysing the priorities for its fulfilment.



- PA3 - Promote the performance of studies related to the accessibilities to the New Lisbon Airport (NAL);

InIR IP followed the projects for the construction of connections to the NAL, which are under the responsibility of Brisa and of EP, SA.

- PA4 - Implement a monitoring system for the state of preservation and for managing roadway maintenance, contracting, whenever appropriate, the conservation of the national roadway network;

InIR IP defined the quality indicators for the national roadways network through Quality and Maintenance Plans and Operation and Maintenance Manuals for the different concessions.

- PA6 - Pursue the requalification and transfer process of the old national roads onto the municipalities, based on an appropriate framework of financial transfers;

Throughout the period of 2008-2010, InIR IP has been promoting several protocols for the transfer of the de-classified network in the PRN200 over to the Municipalities.

- PA8 - Develop and apply new technologies in the fields of information, operation and road safety, giving greater importance to supporting and interaction with users;

InIR IP lead the national contribution towards the EU project Easyway, with the aim of providing greater information to users for promoting innovation processes and systems in the road sector.

- PA9 - Promote measures that may allow to audit the network under concession, aiming at guaranteeing the levels of service foreseen in the respective contracts;

InIR IP promoted different supervising and inspection initiatives, such as inspections and audits for entering into service according to the Annual Plans of Activities.

It developed a Geographic Information Systems (SIG), based upon a geo-referenced database connected to a Business Intelligence platform. This tool makes spatial and temporal data analysis as well as the analysis of roadway events with Special relevance for the supervision and inspection of sectoral information service and production levels much more agile.

- PA10 - Gradually implement road safety audits (ASR), aiming at their common practice, as well as safety inspections (ISR);

InIR IP promoted changes in subconcession contracts, in order to integrate the obligation of performing Road Safety Audits (ASR) to roadway projects; promoted a Law which was sent to the Ministry to regulate this type of audits, and transposed the Directive 2008/96/CE from the European Parliament and the Council, dated from November 19th 2008, regarding safe management of roadway infrastructures, published under Decree Law No. 138/2010, from December 28th.

- PA11 - Implement a program for managing areas of accumulation of accidents for the entire national network;

InIR IP inspected the areas of accumulation of accidents in the different concessions, with Special emphasis for the Concession of EP, SA., in accordance with what has been defined in its concession contract.

- PA15 - Prepare regulatory and normative elements that may enable the consolidation of the organization model of Estradas de Portugal, E.P.E.
- Within the scope of the normative activities, it prepared manuals, normative provision and technical recommendations, of which we would highlight an Inspections Manual for Road Safety, a Manual for the application of retention systems and Recommendations to assess the impacts of infrastructure interventions upon safety. Individual measures to Calm Traffic in crossing populated areas.

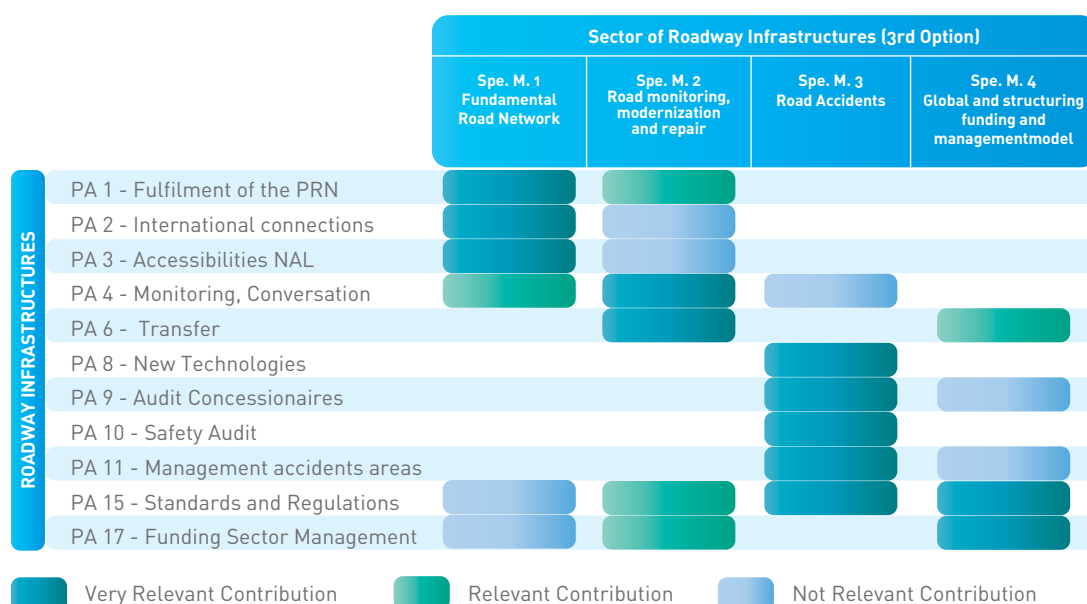
InIR IP prepared throughout the three year period several normative and regulatory documents in order to technically guide the road sector.

- PA17 - Study alternatives for funding new roadway infrastructures and for the conservation of the existing ones, in order to enable the implementation of a funding and management model for the road sector, with less costs for the State.

InIR IP developed a National Roadway Infrastructures Account that helps characterise the economic and financial evolution of the roadways sector.

The table on the next page shows the analysis of the relevance of the activities of InIR IP in the field of Infrastructures and Road Safety in face of the Measures of the Sustainable Mobility Policy and of the Specific

Measures of the Roadway Infrastructures Sector in the Main Options of the Social and Economic Policy – Main Options of the Plan 2005-2009, which are common to the measures included in the Main Options of the Plan 2010-2013.



Source: Portugal – Main Options of the Plan.

**Table 5 – Matrix Assessing the Contribution of InIR IP towards the Transports Policy in the Main Options of the Plan**

Specifying, within the scope of the Main Options of the Plan, the Government defined a general framework of Main Options for the Investments Policy, which defines a set of priorities for public investment, which, in the case of the roadway Infrastructures sector gets translated in the following investment priorities:

- Construction of highways in order to reach 90% of fulfilment of the 3,000 Km of planned network;

Concession contract management for the construction and maintenance of the National network of highways is under the jurisdiction of InIR IP, except for the IP8 – Sines – Beja and the IP4 – Vila Real/Quintanilha, which are under the jurisdiction of EP, SA, but under the supervision of this Institute.

- Continue the construction of IP2 and of IP8 in the fundamental network;

InLR IP cooperated in the preparation of the Tenders and assessed the subconcession contracts, signed between EP, SA and the subconcessionaires for the construction of IP2 and IP8.

- Continue the construction of the network of Complementary Itineraries;

The construction of the complementary network was contracted under the regimen of public private partnerships, which are under the supervision of InLR IP.

- Carry out the maintenance of the national roads under the concession regimen.

Maintenance of the national roads is under concession to EP, SA, which indicators related to service levels, accidents and environment are supervised by InLR IP.

### 1.2.1.3. National Road Safety Strategy (ENSR)

It should also be mentioned that the National Road Safety Strategy for the period 2008-2015, approved through RCM No. 54/2009, from June 26th, which has the fundamental qualitative goal of placing Portugal among the 10 European Union countries with the lowest number of road accidents, assessed as the number of casualties, at 30 days per one million inhabitants, within the scope of which InLR IP contributed with the development of a set of key initiatives, foreseen in it which are as follows:

- Update of the Manual of Road Safety Audits;
- Preparation of the Law on Road Safety Audits;
- Preparation of the Manual for Inspecting Road Safety;
- Revision of the Status of National Roads;
- Definition of the hierarchy of roads, identification and delimitation of the national roadways network;
- Redefinition of Accesses;

- Preparation of the Manual on the Application of Road Retention Systems in the roads belonging to the National Roads Network;
- Preparation of a Manual on Safety Aspects to be considered in Designing and Preserving the AAFR in the roads belonging to the National Roads Network;
- Revision of the Road Design Standard applicable to the roads belonging to the National Roads Network;
- Preparation of the Technical Provisions on Signalling applicable to projecting and preserving roads belonging to the National Roads Network;
- Preparation of recommendations on Overtaking Signalling in roads with a single lane;
- Publication of the Manual for Dimensioning Roundabouts;
- Georeference the National Roads Network in terms of its geometry, equipment and specificities;
- Definition of the hierarchy of roads, identification and delimitation of the national roadways network.

#### 1.2.1.4. Simplex Measures

##### 1.2.1.4.1. Service to Users

- Complaints management/monitoring system – InIR IP has as one of its specific attributions monitoring the complaints presented by users of the roadway infrastructures to the Concessionaires.

No. 2 of Article 3 - The rights of users of public services, of Decree Law no. 135/99 from April 22nd, establishes the following: “Users of public services have the right to request, either orally or in writing, information on the developments of administrative proceedings that relate to them”.

With the purpose of allowing the efficient monitoring and follow-up, as well as for gathering classified data to facilitate their statistical treatment for the production of monitoring reports, as well as for grounding recommendations to the concessionaires, in order to improve the



operation conditions of the roadway network and thus contribute towards insuring a public service of greater quality, the following developments were carried out in 2010:

1. Operationalization of an IT platform for exchanging data on complaints, in electronic support, between concessionaires and InIR IP
  2. After having made a form available at InIR IP's website for on-line complaints from service users, related to the services provided by the concessionaires, in 2010 the functionality for online consultation of the status of the complaints was also made available.
- Dissemination of roadway information

With the purpose of establishing de-materialised forms for conveying and disseminating georeferenced information on the roadway network to users, the following was made possible in 2010 based on the Geographic Information Systems (SIG):

1. The use of an Extranet hosting areas of collaboration oriented towards specific groups facilitating the implementation of actions undertaken by InIR IP that involve external entities was enhanced.
2. An interactive map supplying information on the network under concession, roads, sections and concession, as well as traffic information, was published in InIR IP's website.

3. The first Official Roads Map was produced and published under the protocol of institutional collaboration signed with the IGeoE – Geographic Institute of the Army, from the information on the roads network in the geographic database.

#### 1.2.1.4.2. Management System of Administrative Offences

For processing transgressions related to lack of toll payment in the motorways network, InIR IP developed a technological solution that makes processing administrative offences much quicker through dematerialization of processes. Thus, greater swiftness is achieved in processing cases, as well as greater rationalization of human and material resources, aiming at reducing the prescription fees of the respective processes and the reduction of the time length between the date of the offence and that of the decision.

Globally we may conclude that the performance of InIR IP, is perfectly framed within the strategic guidelines defined by the Programs of the Governments and in the Main Options of the Plan; they seem to be framed by them in a coherent way, highlighting the appropriate compliance between the activities that were developed during the period 2008-2010 and the goals, measures and programs of action and the initiatives thought out by the Government for the sector and the needs of the country in what concerns the consolidation, re-qualification, maintenance and conservation of the national roadway network; the issues related with cohesion and mobility, closeness to the facilities and reduction of timings and distances between the main urban centers and the most isolated areas; improved road safety and less accidents; and full re-structuring of the road sector with the implementation of a new model of Organization, Management and Financing.

## 1.2.2. Indicators from QUAR 2010

InIR IP is covered by Law 66-B/2007, from December 28th, generally known as the SIADAP, and so every year it proposes to the Ministry a set of annual goals publicly disseminated through the web page through QUAR. Final monitoring of QUAR 2010 is explained below. As can be seen, all seven Operational Goals were achieved; and even two of them were exceeded.

### ASSESSMENT AND ACCOUNTABILITY TABLE - 2010

MINISTRY OF PUBLIC WORKS, TRANSPORTATION AND COMMUNICATIONS

InIR - Institute of Roadway Infrastructures 4th Quarter

Mission

Regulate and inspect the roadway infrastructures sector. Supervise and regulate the execution, conservation, management and operation of the aforementioned infrastructures, under an integrated approach with territory planning and economic development (DL 148/2007 dated April 27th).

### STRATEGIC GOALS

SG 1

Position itself as a highly skilled roadway infra-structures regulator, acknowledged by all stakeholders in the sector for its contributions towards the development, competitiveness and sustainability of the sector.

SG 2

Operationalize the organisation of the Institute, its internal processes and its interfaces with the stakeholders of the sector, while pursuing effectiveness and efficiency goals.

SG 3

Build up a sound knowledge and information base for the roadway infrastructures sector that can work as the base for defining and assessing business policies and strategies for the sector.

SG 4

Assure the economic and financial sustainability of the Institute within the framework of the new Financing and Management Model for the roadway sector, by funding its activities with contributions from concessionaire or subconcessionaire companies belonging to the national roadway network, according to the terms defined in the respective concession and subconcession contracts.





## OPERATIONAL GOALS

### EFFECTIVENESS

40%

1. Regulate - Prepare Regulatory Initiatives within the scope of the competencies allocated to the Institute by the grantor State

Weighting: 25,0%

INDICATORS		2008	2009	2010 Target	Weight	Achieved	Achievement Rate	Classif.	Deviation
Ind,1	Regulatory Initiatives Produced	NA	NA	{30,42}	100%	35	100%	Achieved	0%

2. Standardize - Prepare technical standards for the roadway sector.

Weighting:25,0%

INDICATORS		2008	2009	2010 Target	Weight	Achieved	Achievement Rate	Classif.	Deviation
Ind,2	Preparation of Technical Standards	ND	15	{6,8}	100%	8	100%	Achieved	0%

3. Planning - Follow-up on the dynamic development of the roadway network and propose the necessary changes or adjustments.

Weighting:25,0%

INDICATORS		2008	2009	2010 Target	Weight	Achieved	Achievement Rate	Classif.	Deviation
Ind,3	Preparation of Studies on Strategic Environmental Assessment	ND	0	{2,2}	100%	2	100%	Achieved	0%

4. Inspect - Carry out inspections and visits to the roadway sector within the scope of INIR's regulatory activities.

Weighting:25,0%

INDICATORS		2008	2009	2010 Target	Weight	Achieved	Achievement Rate	Classif.	Deviation
Ind,4	Carry out Inspections and Visits within the scope of INIR's competences	ND	55	{55,65}	100%	61	100%	Achieved	0%

### EFFICIENCY

30%

5. Sustainability - Ensure self-sustainability in compliance with the 'New Funding Model' defined for the sector by the Ministry of Public Works, Transports and Communication (MOPTC).

Weighting:100,0%

INDICATORS		2008	2009	2010 Target	Weight	Achieved	Achievement Rate	Classif.	Deviation
Ind,5	Self-Sustainability - Ratio between the Institute's own expenses and income by the end of the period (budgetary perspective)	ND	100	{75%,95%}	100%	132	178%	Overcame	78%

### QUALITY

30%

6. Service to Users - Ensure and monitor the protection of the rights and interests of users.

Weighting: 50,0%

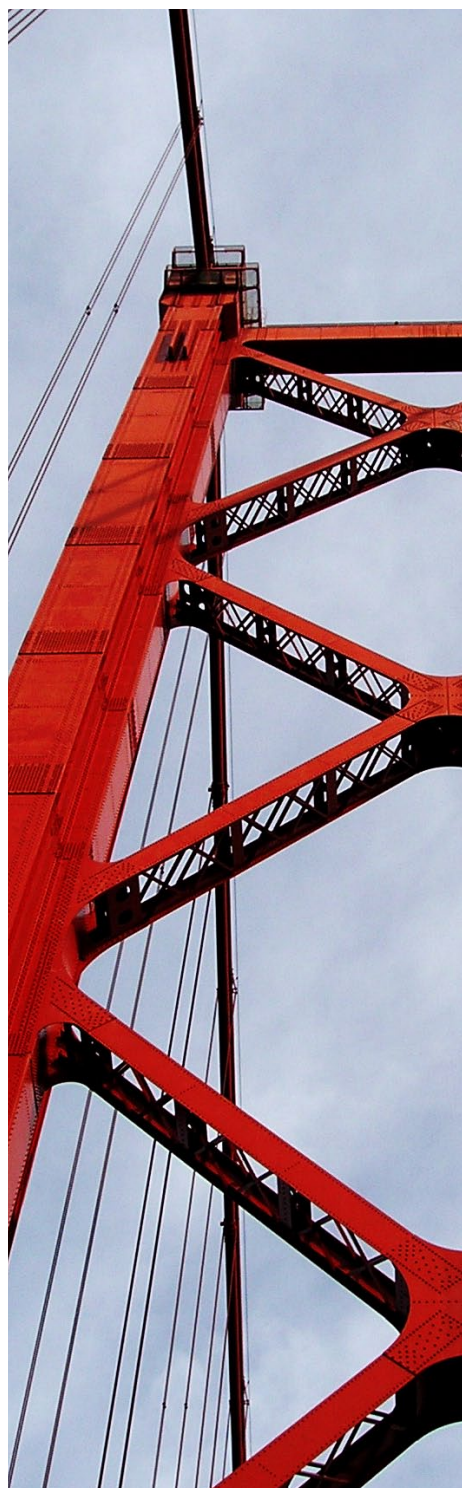
INDICATORS		2008	2009	2010 Target	Weight	Achieved	Achievement Rate	Classif.	Deviation
Ind,6	Provide the possibility to consult user's complaints at INIR's website.	NA	NA	{300,240}	100%	235	115%	Overcame	15%

7. Training - Provide training, enhancement and professional qualifications to the Institute's employees.

Weighting: 50,0%

INDICATORS		2008	2009	2010 Target	Weight	Achieved	Achievement Rate	Classif.	Deviation
Ind,7	Number of employees that benefited from training.	NA	NA	{16,18}	100%	16	100%	Achieved	0%

Table 6 - QUAR 2010



## 1.2.3. Operational Key Performance Indicators

Within the scope of regulatory activity, besides the production of sectoral documents, INIRIP also performs institutional duties related with the supervision, monitoring, licensing and intervening of roadway infrastructures.

The following table contains a selective set of 2010 operational KPIs.

INDICATORS	2010
<b>Planning</b>	
Regional Development Coordination Centres Reports (CCDRs)	66
Municipal Master Plans Follow-up (PDMs)	64
National Roadway Program Interventions (PRN)	27
Viability Studies	22
Sectoral Studies	4
<b>Regulation</b>	
TRIR Calculation	15
Toll Approval	14
Financial Models Verification	6
Project Analysis	329
Third Party Facilities Approval	29
Urban Reports	600
<b>Quality and Safety</b>	
Technical Normative Provisions	8
Inspections and Audits	61
Works Projects Analysis	68
Licensing Processes	78

Table 7 – Operational Key Performance Indicators

## 1.2.4. Economic Key Performance Indicators

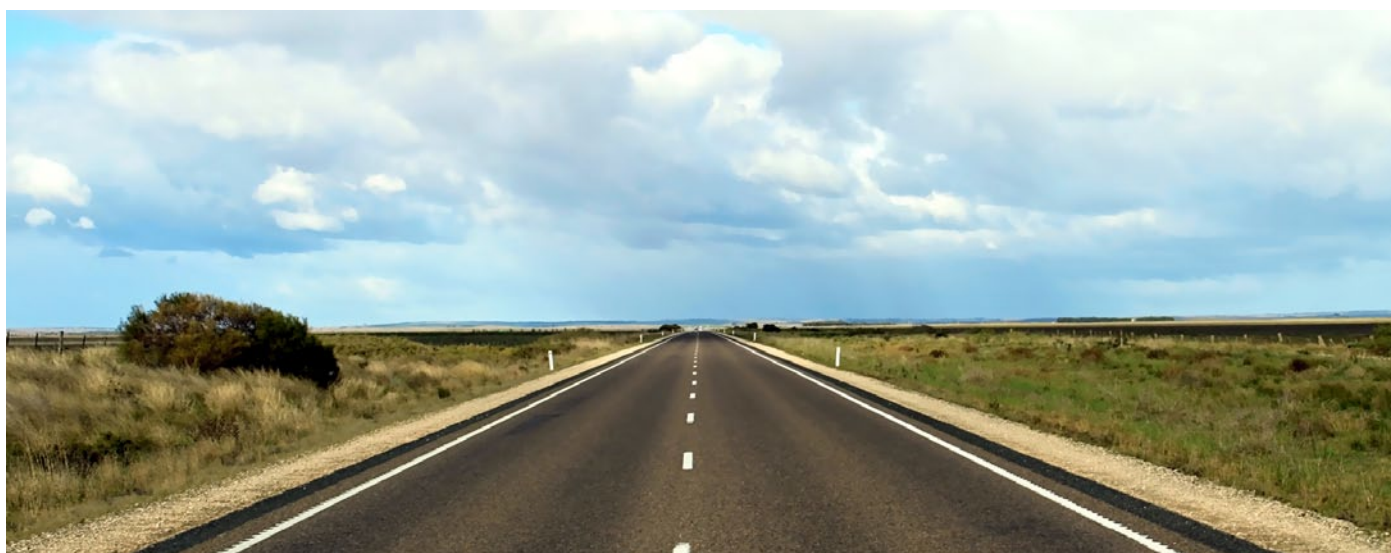
The table below highlights selected economic and financial KPIs over the last three years.

Chapter 1.7.2 - Economic Situation contains additional information explaining the economic performance of the Institute as well as others relevant indicators in this area.

INDICATOR	2010	2009	2008
Own Funds	6,13	5,19	3,50
Operational Gains	6,23	9,44	6,96
Operational Costs	5,45	7,76	4,07
Net Result	0,93	1,69	2,93
Customers c/Account	0,05	0,05	0,00
Suppliers c/Account	0,19	0,63	0,65

M€

**Table 8 – Economic Key Performance Indicators**





## 1.3. Institutional, Legislative and Economic Background

### 1.3.1. Mission

The Mission of the Institute for Roadway Infrastructure (Instituto das Infra-Estruturas Rodoviárias, IP) (InIR IP) is to regulate and inspect the roadways infrastructures sector and to supervise and regulate the execution, conservation, management and operation of the said infrastructures in an integrated approach of territorial planning and economic development, as well as to ensure users' rights.

In order to pursue its Mission, InIR IP is especially responsible for:

- Proposing legislative or regulatory measures that may aim at managing the roadway infrastructures network;
- Promote the definition and application of standards related to the quality and safety of roadway infrastructures;
- Supervise the compliance of their obligations by the operators of the sector;
- Ensure and monitor the protection of the rights and interests of users;
- Perform arbitration and dispute settling functions.
- Represent the State as the Concessor, in roadway concession contracts.

## 1.3.2. InIR IP's Legal Framework

InIR IP was founded as a public legal entity through Decree-Law no. 201/2006 of the 27th of October that approves the Fundamental Law of the Ministry of Public Works, Transports and Communications with legal personality and administrative autonomy.

The most relevant normative and legal documents that also constitute references of the Institute's activities are as follows:

- Decree-Law No. 148/2007, from April 27th establishing InIR IP's organic regimen, as the regulating and supervising entity in the construction, conservation, management and operation of the national roadways network.
- Decree-Law no. 132/2008, from July 21st, complementing Decree-Law no. 148/2007, from April 27th, clarifying the attributions established in the organic law, defining InIR IP as the entity representing the "concessor State in concession contracts that might be signed by the latter in the future", as well as performing the "powers or capacities formerly ascribed to Estradas de Portugal; E.P.E. (or to any other entity that may have preceded it in its attributions), within the scope of the concession contracts presently in force";
- Ordinance no. 546/2007, from April 30th, that publishes the Articles of Association and determines InIR IP's internal organisation;
- Decree-Law no. 380/2007, from November 13th approving the basis of the public service roadway general concession established between the State and EP-Estradas de Portugal, S.A., for the design, project, construction, financing, operation, requalification and expansion of the roads that are included in the PRN 2000 for a period of 75 years under a concession contract;
- Order no. 8216/2008, from March 19th, of the MOPTC defining the strategic guidelines for InIR IP with the purpose of signing a Management Contract with each of the Executive Board members translating the goals to be achieved during its term into detailed and quantified objectives;

- Decree- Law no. 43/2008 from April 10th, creating the Regulation Fee for Roadway Infra-structure (TRIR) with the purpose of “recovering expenses incurred by InIR IP while exercising its powers and functions related to the regulation and supervision of roadway infra-structure management and operation”;
- Decree-Law no. 110/2009, from May 18th, changing the concession basis of Concessionária Geral, EP,SA;
- Decree-Law no. 111/2009, from May 18th, creating SIEV- Sistema de Identificação Electrónica de Veículos, SA, a limited liability company with exclusively public capital;
- Decree-Law no. 112/2009, from May 18th, establishing the Electronic Vehicle Identification System (SIEV) that enables the implementation of a collection system exclusively through electronic equipment;
- Decree-Law no. 113/2009, from May 18th that contemplates a toll collection system through the License Plate Electronic Device (DEM) and approves the sanctions system to be applied to infractions related to lack of payment of highway tolls, altering Law 25/2006 from June 30th;
- Decree-Law 72-A/2010 from June 18th, which in article 18 changes no. 3 of Article 18 of Decree-Law 210/2006 from October 27th, endowing InIR IP financial autonomy and its own assets.

### 1.3.3. Organic Structure

Decree-Law no. 148/2007 from April 27th defining the following social bodies for InIR IP: the Executive Board, the Advisory Board and the Statutory Auditor.

The Executive Board is a collegial body comprised by a Chairman, a Vice-Chairman and another member. According to the terms of the Law, it is “responsible for the activities of InIR IP, as well as for guiding its respective services, in compliance with the law and government guidelines”

The Advisory Board is the “body that advises, supports and participates in the definition of the general guidelines for the actions of InIR IP, and its performance”. It is comprised of twenty representatives from institutions, and public and private entities with interest or relevance in the strategy and scope of the Institute’s activity.

The Statutory Auditor “has the competency and is nominated under the terms foreseen in Law no. 3/2004 of January 15th”, namely in clause b) of paragraph 1, of article 17 It is the entity responsible for controlling the lawfulness, regularity and proper financial and pecuniary management of the Institute.

The internal macro organisational structure is established in the Government Ordinance no. 546/2007, of April 30th , and is comprised of “level I organisational structures called directorates and offices that are hierarchically and functionally under the executive board; and by level II organisational structures, named departments that are directly under the level I organisational structures or directly subordinated to the executive board, as may be determined.”

For the purpose of exercising its powers and according to its Articles of Association (approved by Ordinance no. 546/2007 of April 30th), InIR IP is organised in six Level I organisational units (four directorates and two offices) plus another five Level II organisational units (five departments):

- Area of direct support to the Executive Board:
  - The Office for Management Control and Information Systems;
  - The Legal Office;
  - The Communication and External Relations Department
- In the core business area:
  - The Regulation and Concessions Office, with the following departments:
    - The Analysis and Regulation Department;
    - The Concessions Contract Management Department.
  - The Planning Directorate;

- The Safety and Quality Directorate, with the following departments:
  - Roadway Safety Department;
  - Technical Standardisation Department.
- In the area of support functions:
  - The Administrative, Financial and Human Resources Directorate

Below is a list and description of the group of responsibilities of Level I Organisational Units or that report directly to the Executive Board:

**GCGSI – Office for Management Control and Information Systems** -

This Office is responsible for producing management information for internal supervision of the Institute's financial and qualitative performance. It is also responsible for dimensioning, maintenance and provision of technological infrastructures; for the integration of necessary application components to the Executive Board and to the different Organisational Units for internal and sector information support as well as its interoperability with external agents.

**GJ – Legal Office** – Is responsible for providing specialised legal support to the Executive Board and to the different Organisational Units and for attributing a legal format to all of InIR IP's normative and contractual projects, as well as for managing litigations.

**DCRE – Communications and External Relations Department** - This Department provides advisory services to the Executive Board in areas such as public relations, official representation in the national road sector; for promoting technical disclosure of information, and for providing information to the Government and to the public regarding supervisory activities and regulation of roadway infrastructures.

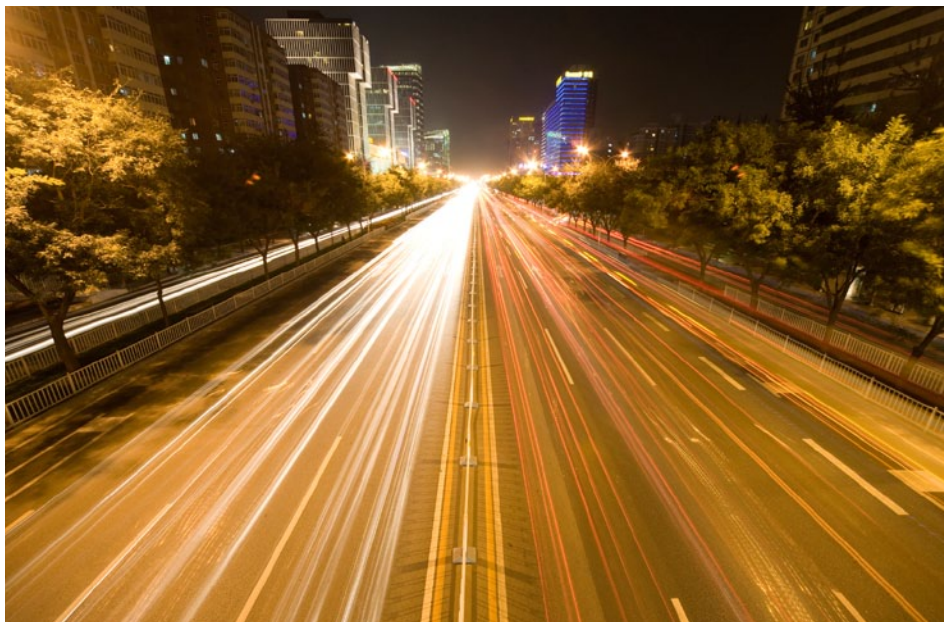
**DRC – Regulation and Concessions Office** - This Directorate is responsible for monitoring concession contracts and for establishing a formal and priority relationships with Concessionaires, namely within the scope of powers granted to InIR IP while representing the State as a Grantor. It is also responsible for promoting studies to establish regulation strategies and policies.



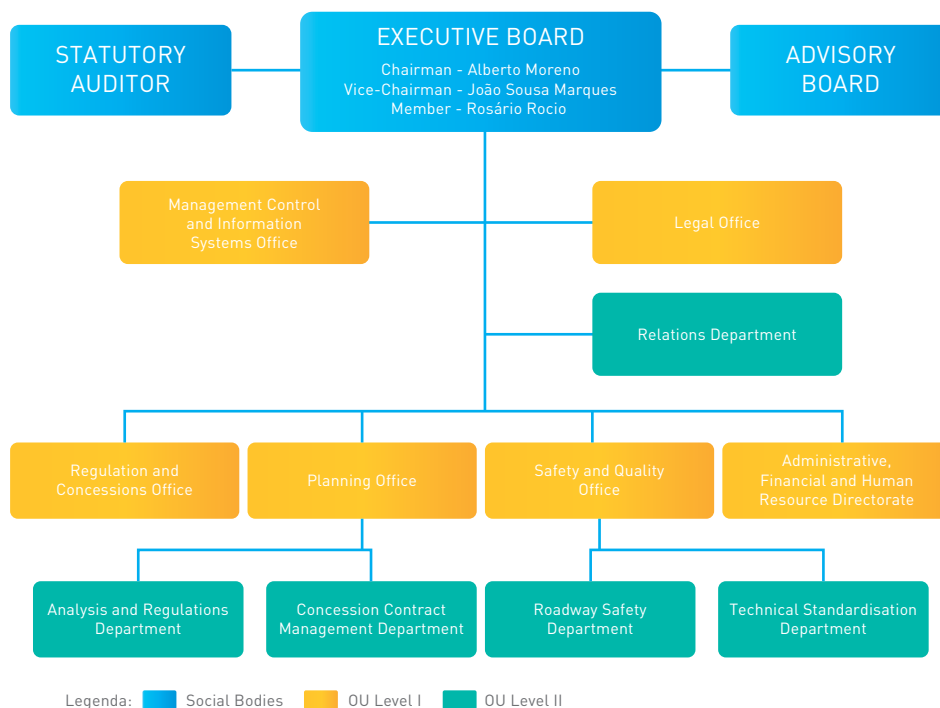
**DPL – Planning Office** - The Planning Office follows up on the execution of the National Roadways Plan and expresses its opinion regarding alterations in respect thereof, while assuring its unity, coherence and sustainability and establishing a connection with remaining national, regional or local management and planning instruments. It must also foster studies regarding sector development and ensure the existence of an updated RRN technical and pecuniary data base.

**DSQ – Safety and Quality Office** - This Directorate is responsible for defining safety and performance indicators for the roadway network and for their respective evaluation. It is also responsible for preparing national normative documents necessary for the proper execution, preservation, operation and maintenance of roadway infrastructures and for taking measures to verify the application of legislation in force regarding roadway safety and availability.

**DAFRH – Administrative, Financial and Human Resources Directorate** - This Directorate has transverse responsibilities over the Institute's different areas and assures the reliability and legality of records and contractual, administrative, financial procedures as well as management of pecuniary and human resources. In addition, it should also propose solutions to the Executive Board in order to optimise the available means.



### InIR IP Organisational Chart



Picture 1 – InIR IP Organisational Chart

## 1.3.4. Legislative Production for the Sector

The legislation for the sector published since 2008 was mostly prepared with the involvement of InLR IP, or under its initiative, or with the prior participation or with the opinion provided by the Institute, (excluding Court Rulings and specific legislation in the Autonomous Regions).

The legislation with relevance for the sector published in 2010 is as follows:

LAW	SUBJECT
Ruling from the Constitutional Court no. 612/2009, from January 25th	Declares no. 2 of art. 8 of the Expropriations Code to be unconstitutional, interpreted in the sense that it confers no right to compensation the constitution of a protective non aedificandi easement to an AE covering the whole of the remaining part of an expropriated building, whenever that portion is classifiable as "soil suitable for construction" prior to the establishment of the easement, with the Statement of Vote of Councillor Victor Gomes.
Ministerial Order 1663/2010 from January 25th	Acknowledges the relevant public interest of roadway accesses to the Logistics Platform of Northern Lisbon.
Resolution from the Parliament no. 23/2010 from March 16th	Recommends that the Government changes the plan outlined for highway A32, within the scope of the Parish of Branca, by choosing solution 5B, causing less damage to the population and financially less costly.
Ruling from the Court of Auditors no. 12/2010, from March 26th	Approves the Reviewed Subconcession Contract regarding the design, construction, funding, maintenance and operation of the sections of lane 1 known as the Subconcession of Interior Douro, signed on March 15th 2010 between that institution and AERNOR DOURO – Estradas do Douro Interior, S.A., with recommendations:
Regional Legal Decree no. 14/2010/A, from April 9th.	Exempts the license-plate number electronic device from the obligation of having to be installed and maintained in the Autonomous Region of the Azores.

LAW	SUBJECT
Decree Law no. 39/2010, of April 26th 2010.	Regulates the organisation, access and operation of electric mobility activities; establishes a pilot network of electric mobility, and regulates the incentives for using electrical vehicles.
Decree Law no. 44-A/2010, from May 5th	Carries out the third changes to Decree-Law no. 380/2007, from November 13th, that awards EP - Estradas de Portugal, S. A., the responsibility for granting funds, designing, projecting, building, preserving, operating, requalifying and enlarging the national roadways network.
Decree Law no. 44-B/2010, from May 5th	Carries out the first changes to Decree-Law no. 234/2001, from August 28th, approving the bases for the concession of the design, project, construction, funding, operation and preservation of the highway sections and associated groups of roads, known as the Concession SCUT Northern Coast
Decree Law no. 44-C/2010, from May 5th	Carries out the first changes to Decree-Law no. 87-A/2000, from May 13th, approving the bases for the concession of the design, project, construction, funding, operation and preservation of the highway sections and associated groups of roads, known as the Concession SCUT Silver Coast
Decree Law no. 44-D/2010, from May 5th	Carries out the first changes to Decree-Law no. 142-A/2001, from April 24th, awarding LUSOS CUT - Auto-Estradas das Beiras Litoral e Alta, S. A., the responsibility for designing, projecting, building, funding, operating and preserving the highway sections and associated groups of roads, known as Beira Litoral/Beira Alta.
Decree Law no. 44-E/2010, from May 5th	Carries out the sixth changes to Decree-Law no. 248-A/99, from July 6th, awarding the consortium AENOR - Auto-Estradas do Norte, S. A., the responsibility for designing, projecting, building, funding, operating and preserving the highway sections and associated groups of roads in the Northern area of Portugal.

LAW	SUBJECT
Decree Law no. 44-F/2010, from May 5th	Carries out the sixth changes to Decree-Law no. 242/2006 from December 28th approving the bases for granting the concession for designing, projecting, building, increasing the number of lanes, funding, operating and preserving the highway sections and associated groups of roads, known as the Greater Lisbon.
Decree Law no. 44-G/2010, from May 5th	Carries out the second changes to Decree-Law no. 189/2002 from August 28th approving the bases for granting the concession for designing, projecting, building, increasing the number of lanes, funding, operating and preserving the highway sections and associated groups of roads, known as the SCUT concession of Greater Porto.
Decree Law no. 60/2010, from June 8th	Establishes the principles to be followed for defining the toll amounts to be charged to heavy goods vehicles for using the roadway infrastructures, transposing onto the internal legal order the Directive no. 2006/38/CE, from the European Parliament and the Council, dated from May 17th, which changes Directive no. 1999/62/CE, from the European Parliament and the Council, dated from June 17th regarding applying charges to heavy goods vehicles with a maximum authorised weight greater than 3.5 t for the use of certain infrastructures.
Ordinance no. 314-A/2010, from June 14th	Establishes the terms and conditions to be followed by the treatment of databases obtained from the electronic identification or detection of vehicles through the electronic license-plate device (DEM), namely the means and mode of access to the data by concessionaires and by subconcessionaires of roadway infrastructures, of SIEV — Sistema de Identificação Electrónica de Veículos, S. A. (SIEV, SA), of InIR IP – Instituto de Infra-Estruturas Rodoviárias, IP and of the entities responsible for toll collections (ECP).

LAW	SUBJECT
Decree Law no. 67-A/2010, from June 14th	Identifies the sections and subsections of highway subject to the regimen of toll charges for users and defines the date after which they shall start to be charged.
Ordinance no. 314-B/2010, from June 14th	Defines the mode of use of the electronic license-plate device (DEM).
Resolution no. 20/2010, from June 15th	Resolution from the National Committee for Civil Protection approving the Special Civil Protection Emergency Plan for the tunnels of Gardunha and Alpedrinha.
Ministerial Order 10605/2010, from June 25th	Ministerial order for the delegation of competences to SEAOPC within the CD of InIR IP.
Decree Law no. 60/2010, from June 8th	Established the principles to be followed for setting the toll amounts to be charged to heavy goods vehicles for the use of roadway infrastructures.
Ministerial Order 13644/2010, from August 26th	Appoints the negotiation committees for changing the following contracts: SCUTVIAS, ASCENDI-Beiras Litoral and Alta, NORSCUT and EUROSCUT.
Ministerial Order 13645/2010, from August 26th	Appoints the negotiation committees for changing the following contracts: AEDL and BRISAL.
Decree Law no. 32/2010, from September 2nd	Carries out the 25th change to the Penal Code: criminalises the violations to urban rules.
Ruling from the Constitutional Court no. 224/2010, from September 10th	Does not state that Law no. 97/88, from August 17th is unconstitutional (the Law that regulates posting advertisements and propaganda within urban settlements).
Decree from the President of the Republic no. 92/2010, from September 13th	Ratifies the Convention on Roadway Circulation.
Resolution from the Parliament no. 107/2010 from September 13th	Approves the Convention on Roadway Circulation.
Resolution from the Council of Ministries no. 75/2010, from September 22nd	Introduces tolls in all former-SCUTS (shadow toll highways).

LAW	SUBJECT
Decree Law no. 102/2010, from September 23rd	Establishes goals for quality of the air and environment.
Ministerial Order 14688/2010, from September 23rd	Approves the instrument for delegation and sub-delegation of competencies within the internal scope of InIR IP.
Ordinance no. 1033-A/2010 from October 6th	Establishes the regimen for positive discrimination for populations and local companies, by applying a mixed system of toll exemptions and discounts in highways belonging to the concessions Northern Coast, Greater Porto and Silver Coast.
Ordinance no. 1033-B/2010 from October 6th	Re-publishes Ordinance no. 314-A/2010, from June 14th, establishing the terms and conditions to be followed by the treatment of databases obtained from the electronic identification or detection of vehicles with electronic devices.
Ordinance no. 1033-C/2010 from October 6th	Re-publishes Ordinance no. 314-B/2010, from June 14th, defining the mode of use of electronic license-plate devices electronic collection of tolls.
Ordinance no. 1201/2010 from November 29th	Establishes the technical requirements for awarding licenses for carrying out the activity of operating charging points in the electric mobility network.
Ordinance no. 1202/2010 from November 29th	Establishes the applicable terms for licenses for the private use of public domains for installing charging points for batteries of electric vehicles in public sites of public access
Ordinance no. 1296-A/2010 from December 20th	Changes Ordinance no. 314-B/2010, from June 14th, with the writing according to Ordinance no. 1033 -C/2010, from October 6th, defining the mode of use of the electronic license-plate device (DEM) for electronic toll collection.

LAW	SUBJECT
Decree Law no. 133/2010 from December 22nd	Reviews the maximum weight and height of certain vehicles, changing the Regulation that defines the maximum allowed weight and dimensions for vehicles, approved by Decree-law no. 99/2005 from June 21st, altered by Decree-law no. 131/2006 from July 11th, and by Decree-law no. 203/2007 from May 28th.
Ordinance no. 1312/2010, from December 27th	Changes Ordinance no. 541/2010, from July 21st, which defines the models of uniform, the ID card and the models of vehicles for agents supervising the collection of tolls in roadway infrastructures.
Decree Law no. 138/2010 from December 28th	Transposes Directive no. 2008/96/CE, from the European Parliament and the Council, from November 19th, regarding safety management of roadway infrastructures and changes the following laws: Decree-Law no. 77/2007, from March 29th, altered by Law no. 67 -A/2007, from December 31st, approving the structure of the National Roadway Safety Authority; Ordinance no. 340/2007, from March 30th, altered by Ordinance no. 162/2009, from February 13th, that establishes the fundamental structure of the National Roadway Safety Authority and the competences of the respective organic units.
Decree Law no. 140/2010 from December 29th	Establishes the legal regimen for promoting environmentally clean and energetically efficient road vehicles and transposes onto the internal legal order Directive no. 2009/33/CE, from the European Parliament and the Council dated from April 23rd.





## 1.3.5. Macroeconomic Context

The indicators commonly used for assessing the economic situation show a positive evolution of the Portuguese Economy in 2010 comparing with the former year. By simply comparing these same indicators with those of the Euro zone we can see some mixed signs since the growth of private consumption in Portugal exceeded that of the Euro zone, whereas the growth of the national GDP, 1.4%, was quite similar to the GDP growth in the Euro zone, 1.7%.

INDICATOR	PORTUGAL		EURO ZONE
	2009	2010	2010
Gross National Product	-2,5	1,4	1,7
Private consumption	-1,0	2,0	0,7
Public consumption	n.d.	3,2	0,7
Investment	-11,6	-4,8	-0,8
Inflation	-0,9	1,4	1,6
Unemployment rate (*)	9,5	10,8	10,0

Un.: Var. Rate,%

(\*) Un.: Unemployment Rate / Active Pop., %.

Source: Bank of Portugal Online Economic Indicators. March 2011; Boletim Económico de Primavera [the Spring Economic Newsletter]

**Table 9 – Short term indicators 2010**

However, the economic situation in Portugal in 2010 is also characterised by the over-indebtedness of the State, of the Banks and of private entities, which brought about serious difficulties for accessing new funding both in the public as well as in the private sphere. Consumption, which has been the basis of Portuguese economic growth is mostly grounded upon external indebtedness which achieved such prices and access restrictions that make this model of growth impossible to continue.

The economic perspectives for Portugal, for 2011, are largely conditioned by budget constraints to which the Portuguese State is obliged by the commitments taken up

before European authorities, as well as by the limitations in access to external credit, both by the State as well as by national banks.

INDICATOR	2010	2011(p)	2012(p)
International Health Policy Programme	1,40	-1,40	0,30
Priv. Consumption	2,00	-1,90	-1,00
Public Consumption	3,20	-6,60	-1,00
Exports	8,70	6,00	6,50
Imports	5,30	-1,60	2,00

Source: Bank of Portugal, Boletim Económico da Primavera

**Table 10 – Context indicators**

The reduction of the deficit of the State budget shall be achieved through the reduction of public expenditure, as the capacity to decrease the deficit of public accounts through increased taxation is almost impossible. Thus, resorting to State consumption or to public investment for leveraging growth in 2011 is hampered. As far as the private sector, the scarcity of external financial resources and their high price, to which adds the probable increased unemployment, shall contribute towards the stagnation or drop of private consumption. Before such a picture, and considering that the Portuguese authorities are unable to intervene in the monetary policy (for currency devaluation), the only possibility for Portugal to take up the path of economic growth once again and to simultaneously decrease the State budget deficit is connected to the growth of exports, more than ever before.

## 1.4. Sector Evolution and Development

The National Roadway Plan (PRN2000) presently in force, approved by Decree-Law No. 222/98, from July 17th, with a few changes introduced at a later stage, reflects the concern of building a group of roadways that may assure the connections between the main Cities and Towns in the Country and the ports, airports and borders, as well as the connections of the coastal area with the interior.

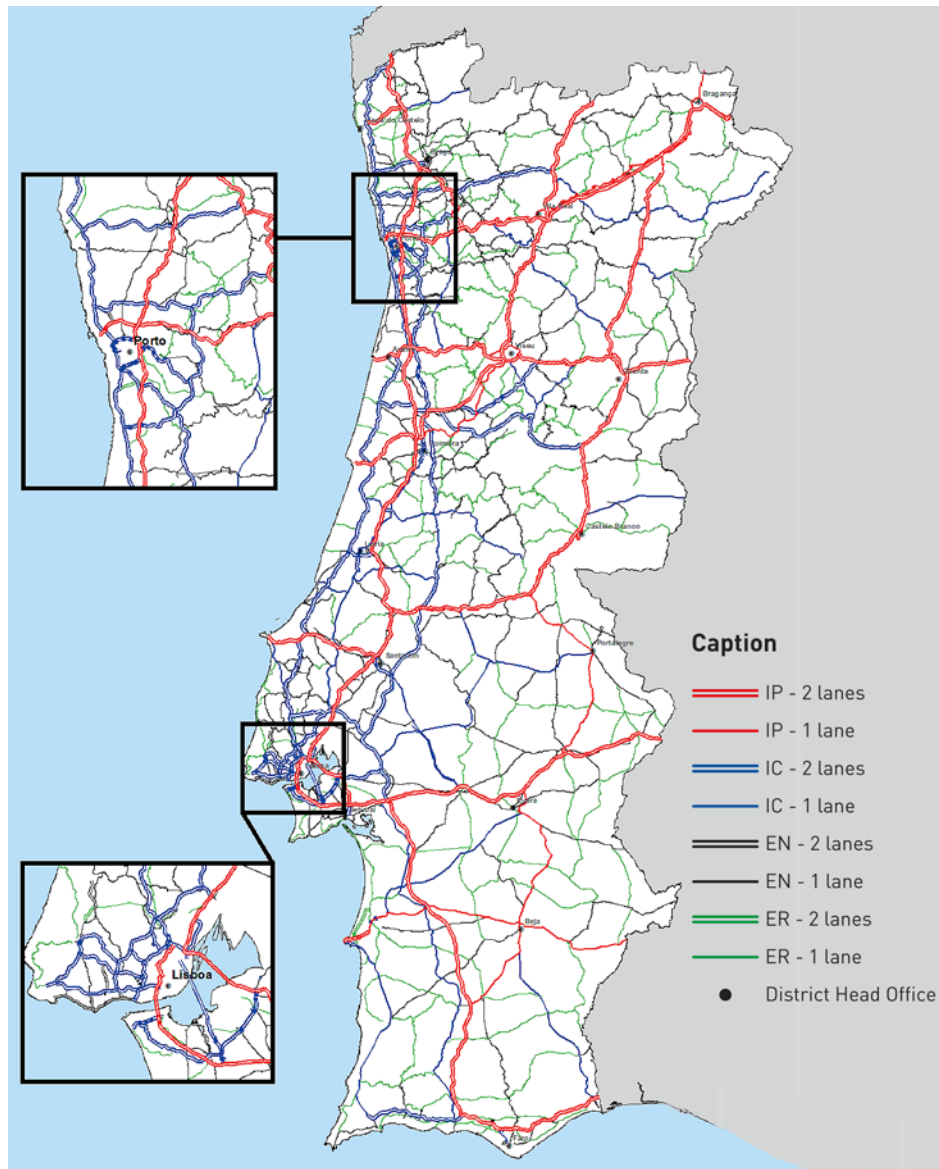
The National Roadway Network in operation ensures a good coverage of the national territory and is defined in a hierarchical way into Main Itineraries (IP), Complementary Itineraries (IC), National Roads (EN.s) and Regional Roads (ER):

PRN 2000	Extension (Km)
National Roadway Plan (PRN)	15.200
National Roadway Network in operation*	13.480
Main Itineraries in operation	2.217
Complementary Itineraries in operation	1.553
Highways in operation with tolls for users **	1.974
Highways in operation without tolls for users **	763

\* Includes Main Itineraries, Complementary Itineraries, National Roads and Regional Roads

\*\* Since the 15/Oct/2010, 0 km of the SCUT network became under the toll collection regimen

**Table 11 – Extensions of the National Roadway Network**



Picture 2 – National Roadway Network - PRN2000

Considering the structuring capacity and the dynamics for leveraging national development, the Fundamental Network, with a planned extension of 2,516 km, of which 2,217 km are operating, is materialised in Main Itineraries (IPs) enabling the connections between urban centres with supra-district influence and the latter with airports, ports and borders.

Currently, in regards to the Fundamental Network, 88% of the network planned in the PRN is operating, whereby roads that are integrally constructed include the IP 1 (Valença - Castro Marim), and the IP 3 (Coimbra - Chaves), the IP4 (Porto - Bragança), the IP5 (Aveiro - Vilar Formoso), the IP6 (Peniche - Castelo Branco), the IP7, (Lisbon - Caia) and the IP9 (Viana do Castelo - Vila Real), while the IP2 and the IP8 are under construction.

The Complementary Itineraries (IC), National Roads (EN) and Regional Roads (ER) form the Complementary National Network ensuring the connection between the Fundamental Network and the urban centres of municipal and non municipal supra-district influence. The ICs, within the context of the PRN, establish the most important regional connections as well as the connections between main surrounding roads and access roads to the Lisbon and Porto metropolitan areas. Currently the extension of operating ICs represents approximately 45% of PRN 's planned network.

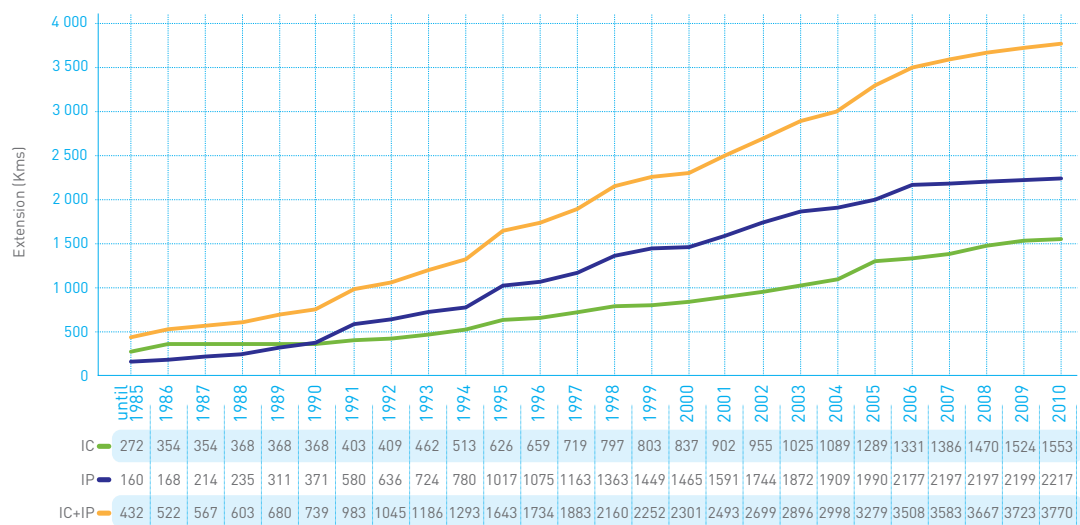
The following ICs have been fully built: IC1 (Valença - Guia), IC14 (Apúlia - Braga), IC15 (Lisboa - Cascais), IC18 (CREL), IC19 (Sintra Radial Way), IC20 (Caparica Expressway), IC21 (Barreiro Expressway), IC22 (Odivelas Radial Way), IC23 (CRIP), IC25 (Alfena - Lousada), IC30 (Alcabideche-Ranholas).

Comparing with last year, we would highlight the conclusion of the IC29 (A43), with the construction of the section between Gondomar and Aguiar de Sousa, within the scope of the Douro Litoral Concession which shall enable the finishing of an important radial road for the city of Porto with a highway profile, when fully open to traffic, which shall happen at the time of the conclusion of the Outer Regional Radial Road of Porto (CREP) (IC24/A41), planned for 2011.

It should also be mentioned that the conclusion of the Southern Access of Coimbra and the construction of a section of the IC6 between Catraia dos Poços and Coja, belonging to public works undertakings under the responsibility of Estradas de Portugal, SA, shall significantly improve safety and circulation conditions.

Within the scope of the Subconcession Douro Interior, which contract management is the responsibility of EP, SA, the IP2 sections between Trancoso and Celorico were built, with double lanes, and the IC5 between Murça and Carlão.

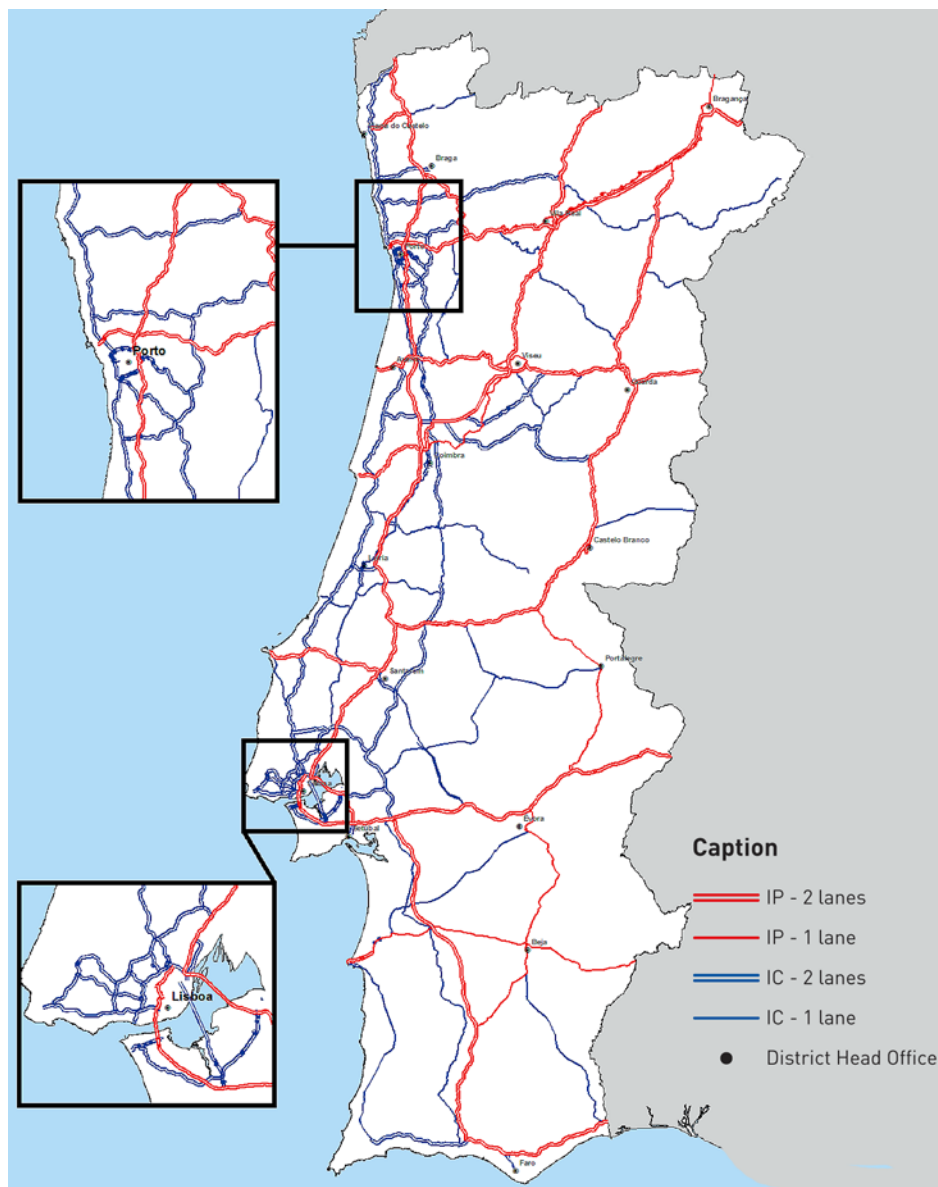
The following graph illustrates the evolution of the network's completion in the past years:



Data source: EP, SA

**Picture 3 – Evolution of the IPs and ICs Network**

With regard to the completion of the network foreseen in the PRN (see also Pict. 9), the IPs represent a relatively large coverage of the national territory, while the ICs are more widely represented in the coastal area reflecting population distribution.



Picture 4 – National Roadway Network - IPs and ICs



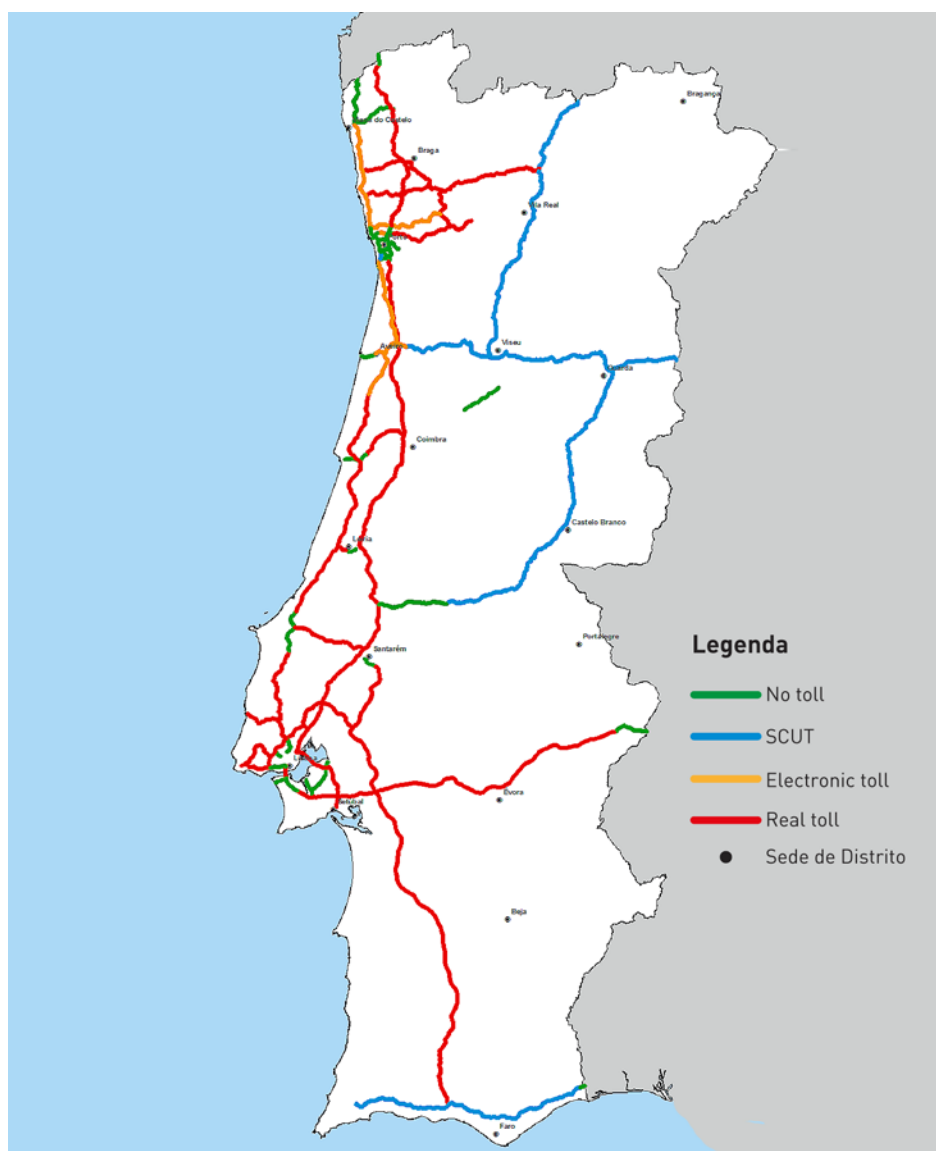
It is important to point out that the main land borders are equipped with modern high capacity infrastructures, namely highways such as the ones in Valença, Chaves, Vilar Formoso, Elvas and Vila Real de Stº António, and that the national component of the Trans-European Network (RTE-T) has an out-turn of close to 90%.

According to the PRN, the IPs should ensure stable traffic currents and offer relatively free circulation to drivers – Service Level B. The roads belonging to the national complementary network (ICs and ENs) should ensure relatively stable circulation conditions although with restrictions as far as speed limits and overtakings - Service Level C. Such Service levels are to be maintained throughout all the components of each connection, including the intercrossing areas, connection node branches and in level intersections.

Given the type of roads, approximately 20% of the operating RRN is integrated in the current highway network. Out of this network, about 2,000 km correspond to real toll highways, after the negotiation of three SCUT concession contracts for 2010 - Concession Northern Coast, Concession Greater Porto and Concession Silver Coast, corresponding to about 760 km, the extension of the network with virtual tolls or toll exempt.



The operating regime is shown in the map of the next picture.



Picture 5 – Operating Highways Network - Type of Toll

In order to maintain the Service Levels of roads with highway profile, besides the characteristics of the road itself, whenever the Average Daily Traffic (TMD) reaches a certain threshold in any subsection, the concession contracts consider and call for more lanes in that subsection.

In this context, the enlargement to 2x3 lanes of the section Estarreja - Feira, of highway A1 – Highway of the North was completed. As well as the enlargement to 2x3 lanes of A2 - Southern highway, in the section Coima - Palmela - Node of A12. The construction works for the enlargement to 2x3 lanes of the subsection Maia / Santo Tirso of A3 – Porto / Valença Highway were also started.

As far as the section Loures/Malveira 3 lanes have been made available since December.

Over the last decades, the roadway network was significantly extended and there was a boost in the quality of service, which is now focused on promoting the design, construction, maintenance and operation of the higher level roads under public private partnerships with operation regimes that depend on the functions performed by the roads and on their characteristics.

Besides the EP concession, which contract was signed with the State in November of 2007 for 75 years, the State presently has another fifteen concessions to be operated under the RRN, four of which are contracted under the real tolls regimen, four under the shadow toll regimen (SCUT) in virtual toll, and, since July of 2010, according to the contract review, seven under the regimen of real toll for EP and with payment of availability and/or service by the State - of which two are under construction - and in which the payment of the respective remunerations, of SCUTs and payments for availability /or service are the responsibility of the budget of EP, SA.

In 2010 the Government decided to implement tolls in the four SCUT concessions mentioned in the previous paragraph and the respective contracts are being renegotiated.

CONCESSION	CONCESSIONAIRE	Extension (km) Dez/2009	Extension (km) Dez/2010	TMDA 2009	TMDA 2010	Operational Regime
Estradas de Portugal	EP	10.848,6	10.873,0	7.165	7.014	No toll
Brisa	Brisa	1.094,6	1.094,6	22.717	22.125	Real toll
Douro Litoral	AEDL	52,7	57,5	72.553	68.404	Real toll
Greater Lisbon	Ascendi GL	84,3	84,3	50.770	55.169	Real toll
Central Coast	Brisa	92,7	92,7	8.205	8.509	Real toll
Lusoponte	Lusoponte	24,0	24,0	86.883	85.346	Real toll
North	Ascendi North	174,5	174,5	9.914	9.881	Real toll
West	AEA	170,0	170,0	19.474	19.155	Real toll
Algarve	Euroscut	130,2	130,2	18.154	17.451	SCUT Toll
Inner Beira	Scutvias	177,5	177,5	10.545	10.574	SCUT Toll
Upper and Coast Beiras	Ascendi BLA	172,6	172,6	13.546	13.650	SCUT Toll
Silver Coast	Ascendi CP	104,5	104,5	36.536	35.184	Electronic toll *
Northern Interior	Norscut	156,4	156,5	6.026	7.123	SCUT Toll
Northern Coast	AENL	113,3	113,3	28.931	27.748	Electronic toll *
Greater Porto	Ascendi GP	54,7	54,7	38.073	35.602	Electronic toll *
Marão	AE Marão	-	3,9	-	**	Real toll
		<b>13.450,6</b>	<b>13.483,8</b>			

\* Since the 15/Oct/2010, 272.5 km of the SCUT network became under the toll collection regimen.

\*\* TMDA not considered due to the fact that opening to the traffic only happened on 16/12/2010

Source: Network concessionaires within the scope of the TRIR. Includes subconcessioned network

**Table 12 – Concessioned Network**





Picture 6 – National Network of Concessed Highways

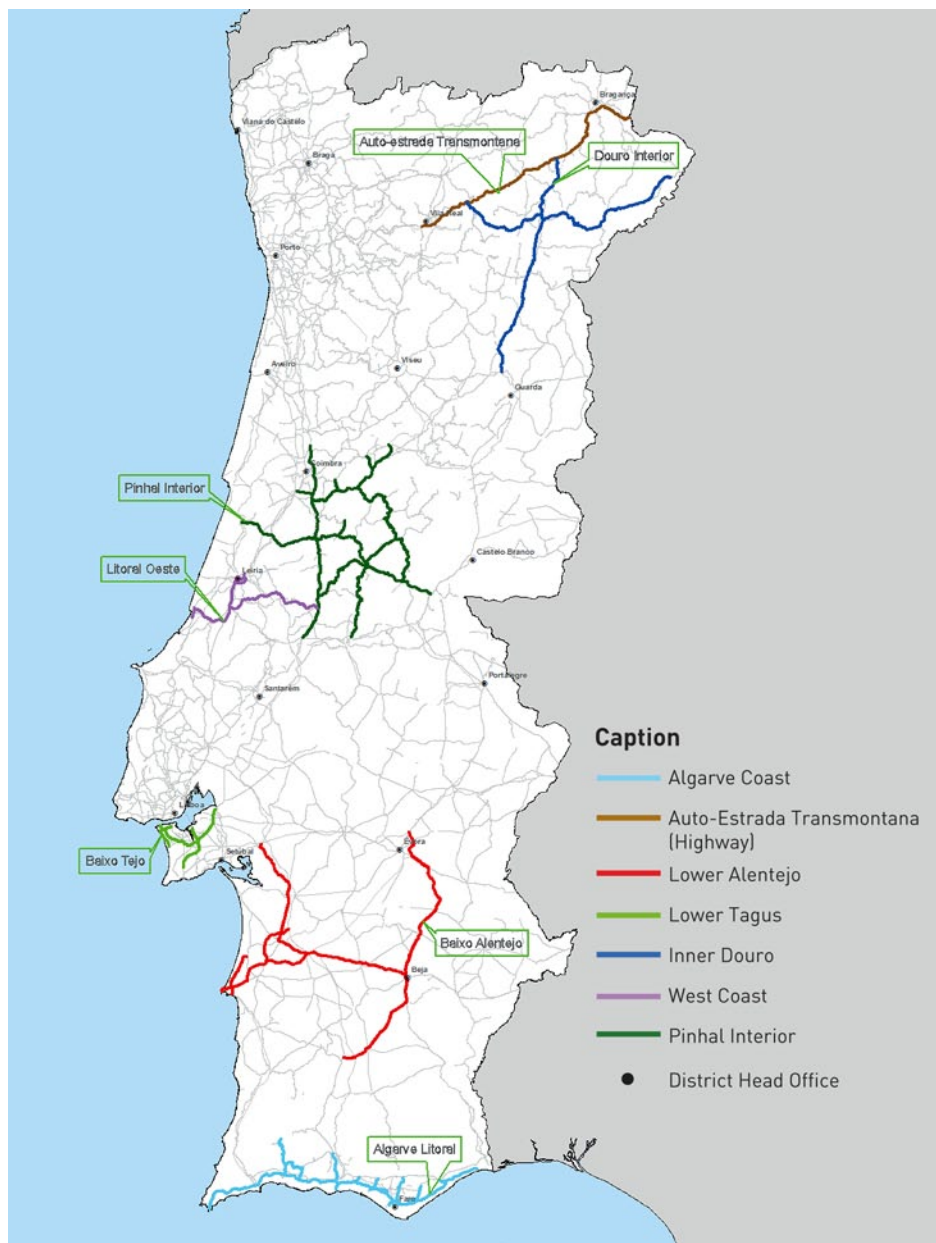
Complying with the Resolutions from the Council of Ministers no. 177/2007, from December 10th; no. 181/2007, from December 11th; no. 56/2008, from March 26th; no. 106/2008, from July 7th, eighth international tenders were launched since the end of 2007, and in 2010 the Subconcession of Pinhal Interior was contracted.

SUBCONCESSIONED NETWORK	Extension (Km)						Date	
	Under Operation	Under Construction	TOTAL	With Toll	Without Toll	TOTAL	Launching of the Tender	Contracting
Inner Douro	36	207	243	0	243	243	23-11-2007	25-11-2008
AE Transmontana	56	138	194	14	180	194	26-11-2007	10-12-2008
Lower Alentejo	220	127	347	68	279	347	03-12-2007	31-01-2008
Lower Tagus	34	40	74	22	52	74	12-12-2007	23-01-2009
Algarve Coast	235	35	270	0	270	270	17-03-2008	21-04-2009
West Coast	36	75	111	19	92	111	24-03-2008	26-02-2009
Pinhal Interior	371	149	520	102	418	520	16-06-2008	28-04-2010
AE Centre	192	192	384	184	200	384	02-10-2009	
<b>Total</b>	<b>1.180</b>	<b>963</b>	<b>2.143</b>	<b>409</b>	<b>1.734</b>	<b>2.143</b>		

**Table 13 – Network of subconcessions launched by EP, SA**

The progression of demand in roadway infrastructure use, as measured by the Annual Average Daily Traffic (TMDA) registered in the National Roadways Network, shows that there was a slowdown in growth during the last decade of the 20th century (1991-2000), period during which there was an Annual Average Growth Rate (TMCA) of 6.6%, against 7.3% in the previous decade (1981-1990). In the first decade of the present Century, the trend of the TMCA has been showing a clear slowdown (4% a year).





Picture 7 – Subconcessions launched by EP, SA

## 1.5. Activity in 2010

### 1.5.1. Economic Regulation

Within the scope of the contract regulation model which is imposed by the sector's structure, several activities were developed, the most important of which are related with concession contract management.

Among the projects developed in 2010, the following should be highlighted:

- Development of a contractual risk analysis and management chart for EP, SA's subconcessions contracts;
- Legal and financial analysis of concessions' performance evolution, based on updated versus base-case financial models (either original or renegotiated);
- Consolidation of follow-up models for the different concessions, highlighting the regiment of incentives and penalties related to accident, service level and environmental externalities ; and the completion of concession forms, in articulation with DGTF/MFAP;
- Follow-up and formal analysis of EP SA's subconcessions processes.

It was also necessary to follow the enforcement of the newly revised concession contracts (five Aenor Group - presently Ascendi - concessionaires and the Euroscut Norte concessionaire), whose operation and remuneration regimens were completely changed. Toll revenues from these concessionaires are now channelled to EP SA, which in turn remunerates the concessionaires through availability and service payments. Also, the concessionaires which were previously toll-free had toll charging introduced to the public (presently in the Silver Coast, in Greater Porto and along the Northern Coast, and in the near future, in the Upper and Coastline Beiras).

Analysis of Euroscut North's request for financial reequilibrium, based on archaeological findings during the construction of the connection to Caminha, was concluded already in 2010. InIR IP forwarded its report to the Ministry and to the Negotiations Committee.

InIR IP assured the Grantor State's representation and defence on two arbitrations which were raised in 2009 and concluded in 2010:

- After an inconclusive decision by the Financial Experts Committee, the State determined that Lusoponte had the right to the reimbursement of investment costs with the installation of safety barriers and of a central reserve on 25th of April Bridge's access from the north,
- The State also concluded that Auto-Estradas do Atlântico had a right to reimbursement of costs associated with placement of motorcycle protection devices on safety barriers and with the payment of the TRIR (InIR IP's regulation fee).

In 2010, judicial agreements between the parties were established to settle two injunctions related with the Tunel do Marão Concessionaire: to prevent the installation of piezometers for monitoring the impacts of construction on water resources, and to prevent the suspension of tunnel construction works.

InIR IP, having issued in the past a favourable opinion to the RECAPE and considering the loss that the suspension of these works would represent to the public interest, proceeded to conduct all activities in defence of the State's interests, whereby it contested and lodged an appeal to higher courts, against the preventive injunction and the main proceedings.



The structuring of the National Roadway Infrastructure Account [Conta Nacional de Transportes - Infra-Estruturas Rodoviárias - CNIR] was finalised in 2009. The Account is meant to be a support instrument for decision-making within the scope of Portugal's Community obligations. It should specifically support pricing for roadway infrastructures (Eurovignette Directive), by relating infrastructure costs to user-charges revenues (total and marginal).

This study will also provide InIR IP, as the entity responsible for supervising Roadway Infrastructure and enforcing rules and obligations, with relevant information regarding the economic and financial evolution of the concessions in time, and peer-to-peer as well as international benchmarking.

## 1.5.2. Normative Regulation

Decree-Law no. 138/2010 was produced, transposing onto internal legal order the European Parliament and Council's Directive 2008/96/CE, of November 19th, regarding Roadway Infrastructure Safety Management.

Two draft Executory Decisions were produced as well, in order to regulate and operate the Road Safety Audits (ASR) and Road Safety Inspections (ISR), foreseen in the aforementioned Decree-Law.

In the sequence of works initiated in 2008 and 2009, several normative documents continued to be prepared for technical guidance of the road sector, with the objective of technically consulting agents of the sector, namely:

- Revision of the Outline Standard
- Mitigation of Aquaplaning Risks
- Pavement Construction and Rehabilitation - Aggregates
- Directives for Pavement Design - Final Quality Criteria
- Degradations Catalogue- Pavement Types

Specific technical studies in road safety were also continued, within the scope of protocols established with LNEC and the University of Coimbra, namely:

- Safety criteria for Areas Adjacent to Circulation Lanes – Retention systems application manual, and Manual on safety aspects when projecting and maintaining Areas Adjacent to Circulation Lanes;
- Recommendations for assessment of impacts of infrastructure interventions upon safety;
- Traffic calming measures for crossing of populated areas.
- Base-document for preparation of Roadway Projects standards.



## 1.5.3. RRN's Strategic Planning

Following the recommendations from the Secretary of State of Public Works and Communications and with the goal of making a critical assessment to the National Roadway Plan regarding certain roads in the Future National Roadway Network, InIR IP promoted the execution of six Assessment Studies to the National Roadways Network (RRN) in specific territorial units, which were contracted in 2009. These studies include a Roadway Study, a Traffic Study and an Economic Profitability Study, and which were followed since their initial stage and according to an iterative logic, by a Methodology for Strategic Environmental Assessment (AAE), which follows, for procedure purposes, the stages and contents foreseen in Decree-Law No. 232/2007, from June 15th:

- National Roadway Network Assessment Study on the Coastal Region of Alentejo and Algarve (focusing the road stretch of the IC4 between Sines and Lagos, on Regional Road 261 and on Regional Road 253);
- National Roadway Network Assessment Study on the Territory of Vouga (focusing the road stretch of the IC35 between Vale de Cambra and Sever do Vouga);
- National Roadway Network Assessment Study on the Area of Influence of the Southern Douro (focusing on the road section of the IC 26 between Lamego and Trancoso);
- National Roadway Network Assessment Study on the Metropolitan Region of Lisbon (focusing upon the entire extension of the IC10, with the possible inclusion of the IC13);
- National Roadway Network Assessment Study on the Upper Minho-Lima Region (focusing on the IC28 and on the National Roads 101 and 202, with plans to include the IC1);
- National Roadway Network Assessment Study on the Lower Mondego/Lower Vouga (IC12 – Mira/Mealhada) influence of the IC12 (focusing on the road stretch between Mira (IC1) and Mealhada (IP1/A1)).

In 2010 a Proposal for an “Assessment Program for the PRN” was prepared with the goal of starting to prepare its alteration and/or review as part of a dynamic approach for interactive construction. The proposal that was prepared includes the integration of the Strategic Environmental Assessments in the Assessment Studies of the RRN.

Except for the Assessment Studies of the RRN in the Area of Influence of the IC12, for all others studies the following stages have already been concluded: Scope Definition and Critical Factors; Analysis and Diagnosis and Assessment of Scenarios, which include the following products: Scope Report; Traffic Study Reports including the volumes of Field Works Plan, Analysis and Diagnosis Report, Analysis, Validation and Data Treatment Report of the Field Work; Analysis and Diagnosis Report; Report of the Critical Factors for Decision Making (that was consulted by the Entities with Specific Environmental Responsibilities - ERAE); Report on the Weights of the Critical Factors for Decision Making; Study Report on Economic Profitability, Study Report on Traffic - Traffic Forecasts and Assessment of Scenarios; Report on Assessment of Scenarios; Report on the Proposal for the Roadway Network; Environmental Report and Non Technical Summary.

Following the work developed in 2009, in 2010, the Final Report of the Renumbering Study of Highways was delivered.

The purpose of the work undertaken was to analyse options from other countries regarding the renumbering model used and to propose scenarios to renumber the national network and its political, technical, legal and financial implications.

A summary document was prepared and shall serve as a basis for a consultation to the concessionaires to be performed during 2011. After a critical analysis to the contributions received, recommendations on the model to adopt and on the implementation schedule shall be duly made.

In 2010 the Performance Assessment of the Roadway Infrastructures Sector between 2005 and 2009 was developed.

This document analyses the evolution during this period, matching the goals and the measures outlined in the Main Options of the Plan with the implementation seen at the level of fulfilment of the PRN, of roadway safety, of the reduction in displacement times, of quality of life improvements, and of a whole series of others statistic indicators. Last,

it shows an analysis of the contributions of the evolution of the National Roadways Network, during the period under analysis, towards the improvements seen in the levels of competitiveness and economic and social cohesion and in the implementation of the network of concessions and subconcessions of roadway infrastructures.

Within the scope of the review/update of the Trans-European Transport Network, an analysis of the existing situation was carried out in face of the criteria established by the European Union and a report was prepared materialising a proposal for updating the network, which was sent to GPERI and submitted to the Ministry.

That document also includes a list with the classified network, with the respective classification within the scope of the PRN and of the National Network of Highways, its characterisation in terms of typical transversal profiles and traffic.

At the same time the classified network was also characterised regarding a group of 20 geometric and operational parameters related to the following years: 2005, 2009, 2013, 2020, 2025, and 2030.

In 2010 the Study for Regulating the Technical and Geometrical Conditions for Implementing Access ways to the National Roadway Network (ENs and ERs) was performed.

The study was carried out based on a benchmarking analysis and defines the rules considered as most appropriate for our reality in Portugal, in what concerns control of marginal accesses to the road, in order to preserve such accesses and to guarantee all the appropriate safety conditions.

It also includes the definition and specification of the procedures and criteria to be adopted during the process for implementing and authorising such access ways, since the time of request to the preparation of the project.

The Study for Assessing the Levels of Service in the National Roadway Network, consisted in the analysis of the methodology used by EP - Estradas de Portugal, SA and in assessing the results obtained in the sample sections of roads defined in the respective concession contract.

This analysis focused on two essential goals:

- Calculation of the degree of reliability of the application of the Methodology of the “Highway Capacity Manual 2000”. In case significant deviations were identified, they would be isolated and only those that were not duly justified would be reported;
- Analysis of the sensitivity of the results obtained with the study, in face of the different parameters used for the calculations, with the identification of the factors and respective critical intervals of variation.

Pursuant to Decree-Law no. 380/2007 from November 13th, altered and re-published by Decree-Law no. 110/2009 from May 18th, approving the bases for EP concessions, the reports prepared by the concessionaire regarding compliance with the goals of environmental sustainability, and compliance with the levels of service, both related to 2009, were analysed.

The above mentioned law describes the 88 sampling sections to be considered in assessing the degree of compliance of the functionality indicators of the Network Under Concession to EP, SA, namely the levels of service by type of road, between 2007 and 2010.

Thus, the adequacy of such indicators was analysed, according to the contract, and several recommendations were made in order to better assess the levels of service in the roadway network.

As far as compliance with the goals for environmental sustainability, the adequate initiatives were undertaken in order to examine the appropriateness of the figures, goals and methodology defined in the above mentioned law.

According to the terms of paragraph d) of Art. 5 of Ordinance no. 546/2007 from April 30th, and following the proposals made by EP, SA, InIR IP has defined the criteria and validated the transfer processes of the unclassified network to the municipalities.

The programmes for executing plans to improve the quality of the air in the regions of Lisbon, the Tagus Valley and Porto includes a set of measures, highlighting High Occupation Lanes (VAOs) in main access ways to the cities of Lisbon and Oporto, as a short term solutions to reduce the traffic entering urban areas in these cities. InIR IP is responsible for promoting the preparation of the viability studies for installing such lanes.

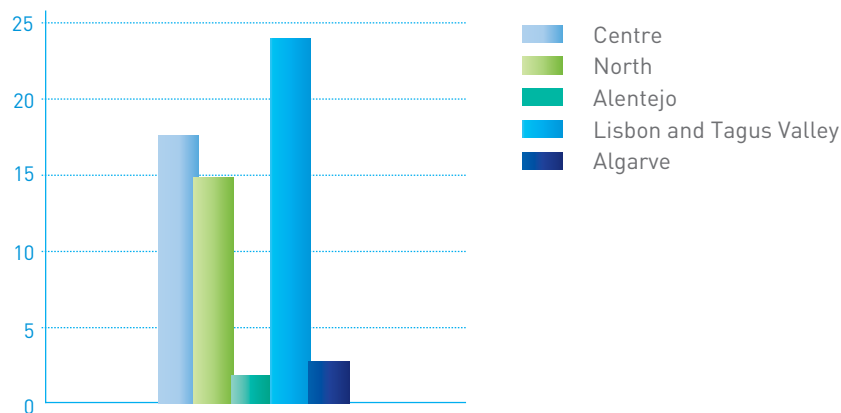
This Study has been monitored by the CCDR LVT, IMTT and AML.

InIR IP was part of the Joint Commission for Monitoring the Regional Territorial Master Plan for the Centre, representing the State Secretary of Public Works and Communications. InIR IP was responsible for conveying its opinions on the development strategy and evolution of the national roadway network; on the connections with other networks and means of transportation in articulation with other territorial planning instruments of national, regional and municipal scope, while safeguarding the unity of the roadway system and control over the public interest.

InIR IP took part in Municipal Territorial Master Plans (PROTs), integrating or participating in checking services related to the review or alteration of Municipal Master Plans (PDMs), Urbanization Plans (PUs) and Detailed Plans (PPs).

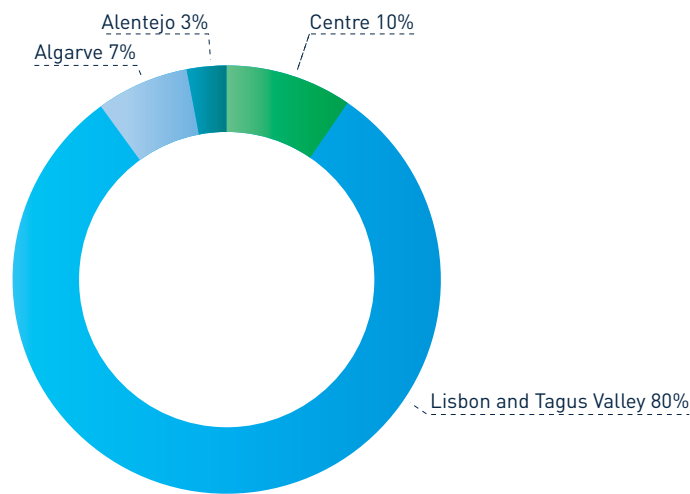
InIR IP also took part in revision processes for several PDMs, both by integrating the respective follow-up committees (CA) and the service verifications. Its participation in the processes for changing PDMs was made through service verifications.

In 2010 InIR IP took part in 64 Follow-up Committees for reviewing PDMs and took part in service verifications, distributed through the following regions:



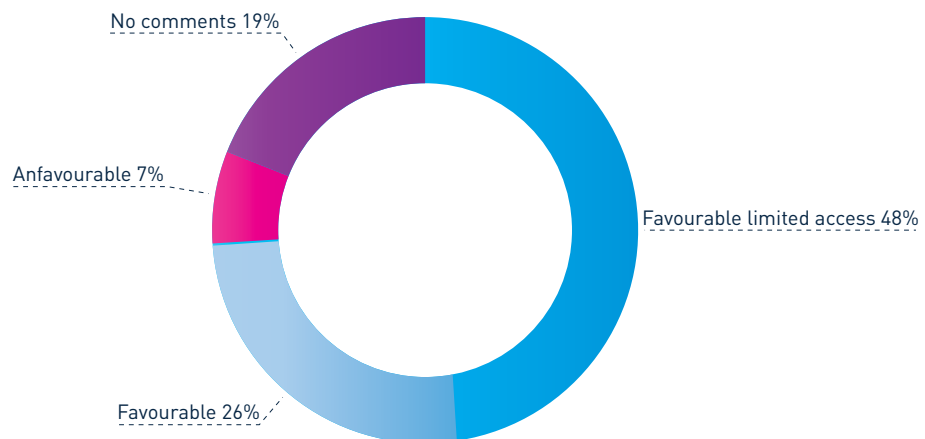
Picture 8 – Processes for Reviewing PDMs

InIR IP has participated in detail plan processes through service verifications (in 2010, 30 summons were received for that purpose, as shown below:



Picture 9 – Participation processes in Detailed Plans

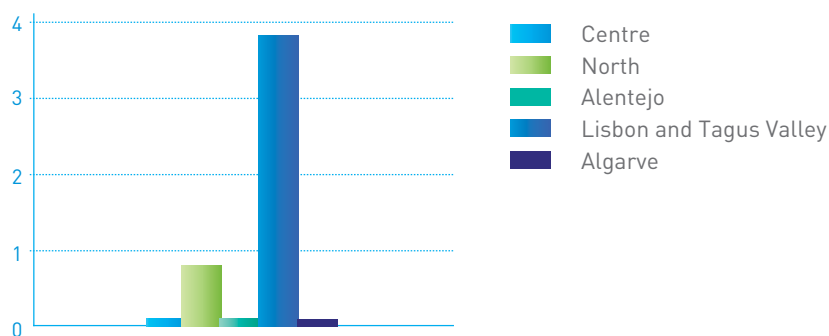
The next picture illustrates the percentage distribution of its opinions. We can see that there is a low percentage of unfavourable opinions (7%) and a high percentage (19%) of requests in areas in which InIR IP has no competences.



Picture 10 – Opinions issued within the scope of service verifications



Just as for detailed plans, InIR IP has taken part in urban planning processes, through service verifications.



**Picture 11 – Participation in Urban Planning processes**

The National Action Plan Environment and Health ((PNAAS), approved by the Resolution from the Council of Ministries no. 91/2008, dated from June 22nd, aims at improving policies for preventing, controlling and reducing health risks originated by environmental factors, by promoting the integration of knowledge and innovation and by contributing towards the economic and social development of the country.

Thus, InIR IP is part of the “Air Project Team ” and of the “Noise Project Team”.

In 2010 the “Air Project Team” began the consolidation of a system for forecasting the quality of the air and implemented appropriate mechanisms for communicating situations of risk for human health resulting from the contamination of the atmosphere.

The “Noise Project Team” started a literature review aimed at documenting the relationship between exposure to environmental noise (exterior and interior) and its effects upon health in order to start some case studies.

The National Committee for the National Ecologic Reserve (CnREN) was established by Decree-Law no. 166/2008, from August 22nd. It reports directly to the member of the Government responsible for the areas of the environmental and territory planning. And is responsible for articulating, coordinating and defining the boundaries of the areas belonging to the National Ecologic Reserve (REN), guaranteeing its systemic coherence.

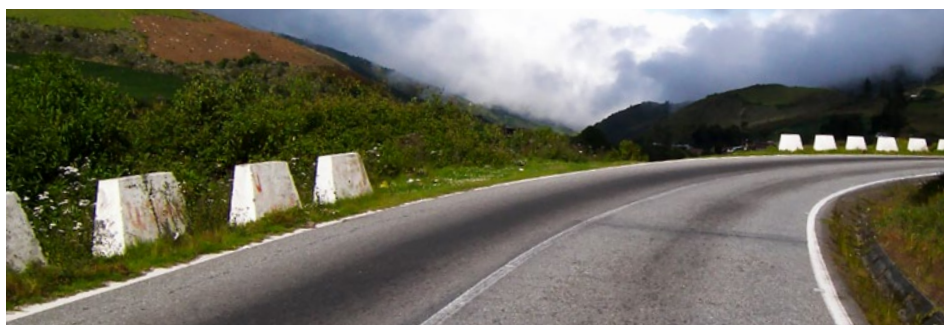
In 2010, InIR IP was present in most of the meetings held by the CnREN, and which translated into opinions that were issued within the scope of the processes for changing the National Ecologic Reserve, requested by the Municipalities; and in the preparation of strategic guidelines with national scope.

InIR IP, as formerly agreed with the Portuguese Environmental Agency (APA), is currently preparing a database on the population exposed to noise from the main roadway infrastructures covered by the first stage of Decree-Law no. 146/2006, from July 31st.

Throughout the year of 2010, and following from the protocols that were held to define and regulate the terms and responsibilities for making and financing road access ways to the Logistic Platforms of Northern Lisbon and Poceirão, InIR IP took part in follow-up meetings regarding the development of the administrative process of the project, until the conditions were established for ensuring the beginning of the construction works. The project for the roadway connection between the Logistics Platform of Poceirão and the highway A12 was completed in 2010, and its delivery and the corresponding RECAPE in the Portuguese Environment Agency is planned for the beginning of 2011, for post-environmental assessment procedures. The Access to Pinhal Novo is under development, in the stage of previous study.

Regarding the Logistics Platform of Northern Lisbon, the licensing, expropriations and execution of the respective project was concluded. The construction of the access ways were started in 2010.

Viability studies were analysed and issued for the purpose of licensing large malls or for industrial/commercial projects regarding the following situations that are surrounded by the concession network:



CONCESSIONAIRE	Viability studies for licensing large malls
AEDL	A44/IC23 - Coimbrões (IC2) / Freixo Bridge South (IP1) - Supermarket with the brand LIDL;
AEDL	Exit road from the A1 to the Santo Ovídio roundabout in Vila Nova de Gaia - Corgas Club (tennis court);
BRISA	A9. CREL - Zambujal Sub-stretch / A9 Junction / A10 - Construction of an industrial building;
ASCENDI	IC19- Alto do Forte Junction - Construction of a new STAPLES store.

**Table 14 – Viability studies for licensing large malls**

In 2010, viability requests for the construction of new junctions or for reformulating existing junctions were analysed in the highways network, some of which resulted in new proposals from the municipalities, listed in the following table:

CONCESSIONAIRE	Analyses of Viability Studies
BRISA	A1/IP1 – Junction of S. João da Talha;
AEDL	A1 – Reformulation of the Barrosa Junction;
AEDL	A1/IC2 – Reformulation of the St. Ovídio Junction;
EUROSCUT NORTE	A28 – Reformulation of the Freixieiro Junction;
EUROSCUT ALGARVE	A22 – Reformulation of the Mexilhoeira Junction;
ASCENDI	A41/IC24 – The Millenium Junction;
EP	A25/IP5 – Reformulation of the Junction of the A25 with the IP5;
EP / BRISA	A5 – Junction of the Access of EN 249-4 to A5;
EP / BRISA	Connecting Junction between the IC9/A1/Fátima - Fátima(A1)/Ourém(Alburitel);
BRISA	A12 – half-connection Junction between the Alto da Guerra (N10) and the A12;
BRISA	A2 – Junction of Canhestros;
EP / BRISA	IP2 - Junction of S. Lourenço de Monporcão / A6 (IP7).

**Table 15 – Analyses of viability requests**

Considering the viability for installing and/or locating new Service Areas in the network under concession, INIR IP analysed and conveyed its opinion upon the following:

CONCESSIONAIRE	Viability for installing and/or locating Service Areas
EP	Benfica Junction – Connection Branch to the IC16 / Pontinha Junction – Installation of a Service Area;
EP	IC 17/CRIL – Stretch of Odivelas – Olival Basto - Installation of a Service Area – Reformulation 1 and 2.

**Table 16 – Viability studies for the installation and/or location of Service Areas**

## 1.5.4. Management and Supervision of Concession Contracts

This activity covers a wide set of different tasks that include the preparation of formal acts with contractual or legal relevance - such as the approval of studies and projects, of partial expropriation plans, of project contracts, of subconcession of activities and funding, the verification of documents, guarantees and reporting obligations, and actions connected to technical relationships and dialogue, challenges and/or clarifications, requests and issue of opinions, resulting from performance monitoring and sanctioning competences and contractual compliance by concessionaires.

Several Studies and Projects related to different Roadway Concessions were analysed, with special emphasis to the tunnels and other Special structures, namely the following:

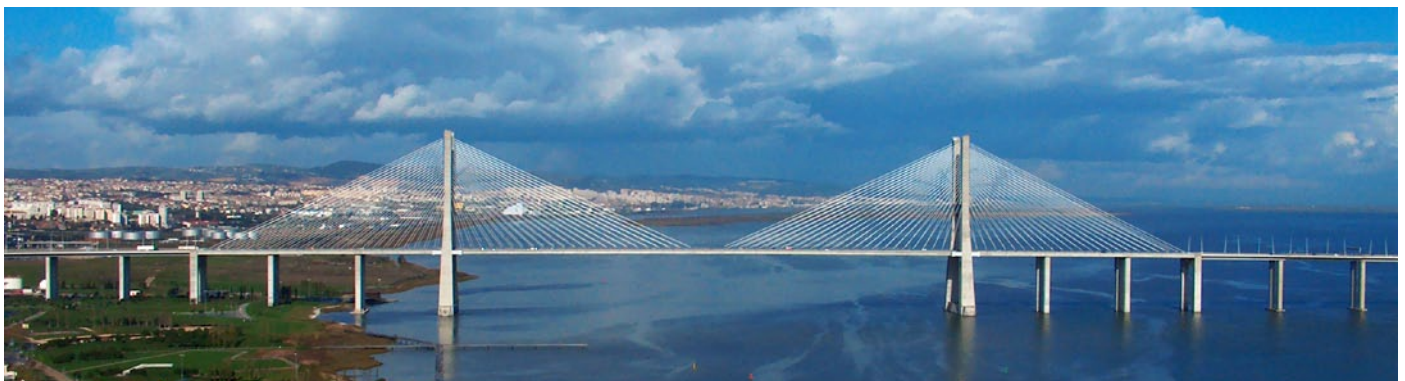
- Tunnel of Marão (A4/IP4);
- Tunnel of Castro D’Aire (A24);
- Tunnels of Gardunha and Barracão (A23);
- Tunnel of Covelo (A41);
- Tunnel of Seixo Alvo (A32/IC2);
- Tunnel of Montemor (A9-CREL);

- Support structures for the Highway of Marão – A4/IP4 – Amarante - Vila Real;
- Landslides at A9-CREL;
- Reinforcement of the support walls and slopes of the A16/IC16;
- Fiftytwo Projects on the Conditions for the Execution of Construction works (PCEO), within the scope of the Law 24/2007, from July 18th and of the Official Gazette No. 12/2008, from June 9th, distributed by several concessions described in the following table:

CONCESSIONAIRE	PCEO's 2010	No.	
AEDL - Auto-Estradas do Douro Litoral, S.A.	A41/IC24 - Lot 1 - Junction of Argoncilhe	1	
	A43/IC29 - Lot 3 - Junction of Gondomar	1	
AEM - Auto-Estrada do Marão, S.A.	A4/IP4 - Tunnel of Marão - Wall 43C	1	
Ascendi Norte - Auto-Estradas do Norte, S.A.	A7 - Horizontal signalling works	1	
	A11 - Horizontal signalling works	1	
Ascendi Grande Porto - Auto-Estradas do Grande Porto, S.A.	A41 - Horizontal signalling works	2	
	A42 - Horizontal signalling works	1	
	A25 - Horizontal signalling works	2	
Ascendi Beiras Litoral e Alta - Auto-Estradas das Beiras Litoral e Alta, S.A.	A25 - IP2 / A25 Junction - Construction PS12A	1	
	A25 - Re-pavement works	1	
	A25/IP2 - Connecting Junction PS 12A - stages 3 and 4	2	
Ascendi Costa de Prata - Auto-Estradas da Costa de Prata, S.A.	A17 Mira / Estádio - Horizontal signalling works	1	
	IC17 CRIL - Acoustic Barriers (Olival Basto / IC22 - A8 / Tunnel of Grilo)	2	
	IC17 North - Camarate - Prior Velho - Acoustic Barriers	1	
	IC17 - Algés / Buraca - Acoustic Barriers	1	
	IC22 (A8 / A9 CREL) - Acoustic Barriers	2	
	Branch A + B Tunnel of Grilo - Slope Repair	1	
	IC17 - Pontinha / Odivelas - Slope Repair	1	
Ascendi Grande Lisboa - Auto-Estradas da Grande Lisboa, S.A.	IC19 - Horizontal signalling works	1	
	A16 - Slope Repair kp 15+000	1	
	A8 - Road Interruption KP 92+600 N_S	3	
	A8 - Construction of the Viaduct Alcoa River	1	
	A8 - Stretch Loures / Malveira - PCEO - Version 2	1	
	Auto-Estradas do Atlântico, S.A.		

CONCESSIONAIRE	PCEO's 2010	No.
BRISA - Auto-Estradas de Portugal, S.A.	A13 - Viaduct Ribeira Muge - Expansion Joints	1
	A3 - Piping at PS04 - KP 1+103	1
	A2 - Slope sliding at KP 215 direction S/N	1
	A2 - Sub-stretch Alcácer do Sal - Grândola North - Addition PCEO	1
	A4 - Construction of the New PS027 - Campo Junction - Sub-stretch Valongo / Campo - Stages 1, 2 and 3	3
	A1 - Corrosion Tests upon Art Works	1
	A3 - Enlargement 2 x 3 lanes - Maia / Santo Tirso	1
	A5 - Installation of Traffic Counters, km 0+000 / km 8+100	1
	A2 - Stabilization of Meeting Slope North - Viaduct Sado River South/North	1
	A12 - Paving Montijo - Pinhal Novo	1
	A4 - Repair of Paving and Drains km 51+550 - km 51+600	1
	A12 - Connection to EN10 Alto da Guerra	2
A3 - Safety Inspection - Paving Works	1	
BRISAL - Auto-Estradas do Litoral, S.A.	A17 - Repair of the Pranto viaduct	1
EUROSCUT - Soc. Concessionária da SCUT do Algarve, S.A.	A22 - Alvor Junction - KP 18+500 - Paving Works	1
NORSCUT - Concessionária de Auto-Estradas, S.A.	A24 - KP 88+450 - Draining Works (Drains)	1
SCUTVIAS - Auto-Estradas da Beira Interior	A23 - Tunnel of Gardunha N_S - Repair of Ventilators	1
	A23 - Paving Castelo Branco - Soalheira	2

**Table 17 – Projects of the Conditions for the Execution of Construction Works**



According to an action plan prepared on the bases of criteria that were previously established, and in face of the contractual requirements for opening new stretches of roads and new Service Areas that began their operations throughout the year, a total of 61 inspecting initiatives were carried out, of which 35 Inspections to the operating network and 26 Inspections for entering into service, as shown in the following tables:

CONCESSIONAIRE	Inspections 2010	No.
AEDL - Auto-Estradas do Douro Litoral, S.A.	A1 - Coimbrões (IC23) / Arrábida Bridge	1
	A20 /IP1 - Carvalhos (IC2) / VCI (IC23) Junction	1
AEM - Auto-Estrada do Marão, S.A.	A4 - Junction of Geraldês - Connection to IP4 (Sub-stretches 1 and 2)	1
Ascendi Grande Porto - Auto-Estradas do Grande Porto, S.A.	A41 - Freixieiro / Alfena / Ermida	1
Ascendi Beiras Litoral e Alta - Auto-Estradas das Beiras Litoral e Alta, S.A.	A25 - A17 / Cambarinho	1
	A25 - Albergaria / Cambarinho	1
	A25 - Accidents at KPs 45+000 and 45+100 - Talhadas / Reigoso	1
Ascendi Costa de Prata - Auto-Estradas da Costa de Prata, S.A.	A17 - Mira / Estádio	1
	A25 - Barra /Albergaria	1
	A29 - Maceda / IP1	1
	A29 - Estarreja / A44	1
	A44 - A1 / Coimbrões	1
Ascendi Grande Lisboa - Auto-Estradas da Grande Lisboa, S.A.	A44 - Valadares / Coimbrões	1
	IC2 - Moscavide / Santa Iria da Azoia	1
	IC16 - Alfovelos / Belas	1
	IC17 - Algés / Buraca - Alfovelos / Sacavém	1
Auto-Estradas do Atlântico, S.A.	IC22 - Olival Basto / Montemor	1
	A8 - Lisboa / A17	1
	A8 - Alfeizerão - Inspection to PCEO	2
Auto-Estradas Norte Litoral - Sociedade Concessionária AENL, S.A.	A8 - Malveira / Campelos - Caldas da Rainha / A17 North	1
	A8 - Loures /Malveira - Enlargement - Pre-inspection/Work Inspection	1
Auto-Estradas Norte Litoral - Sociedade Concessionária AENL, S.A.	A27 - Meadela / Ponte de Lima	1
	A28 - Apúlia / Vilar de Mouros North	1

CONCESSIONAIRE	Inspections 2010	No.
BRISA - Auto-Estradas de Portugal, S.A.	A1 - Porto / A 44	1
	A3 - Connection with A4	1
	A9 (CREL) - Traffic interruption, slope sliding	2
EP - Estradas de Portugal, S.A.	EN 109 - Figueira da Foz - Edgar Cardoso Bridge and access ways	1
EUROSCUT - Soc. Concessionária da Scut do Algarve, S.A.	A22 - Junction Castro Marim / Border	1
SCUTVIAS - Auto-Estradas da Beira Interior	A23 - Abrantes west / Alvaiade	1
NORSCUT - Concessionária de Auto-Estradas, S.A.	A24 - Chaves / Vila Pouca de Aguiar - Portela/End of Concession	1
	A24 - Viseu / Border	1
	A24 - Service Area of Vidago	1
Euroscut North / Ascendi Greater Porto, Coast and Upper Beiras and Silver Coast	Implementation of the electronic toll system - Vertical Information Signalling	1

**Table 18 – Safety Inspections to the Operating Network**





CONCESSIONAIRE	Inspections for Opening for Traffic - 2010	No.
AEDL - Auto-Estradas do Douro Litoral, S.A.	A43 - Gondomar / A41	1
Ascendi Norte - Auto-Estradas do Norte, S.A.	A7/IC5 - sub-stretch Calvos/Fafe South - Service Area of Fafe	1
Ascendi Costa de Prata - Auto-Estradas da Costa de Prata, S.A.	Connection to the Canelas Junction (A29) to EN 1	1
Ascendi Grande Lisboa - Auto-Estradas da Grande Lisboa, S.A.	IC17 - Branch E1 - IKEA FRIELAS	1
Auto-Estradas Norte Litoral - Sociedade Concessionária AENL, S.A.	IC1/A28 - Connecting Junction of Mazarefes to the Historical Area and of Business Activities of Darque	1
BRISA - Auto-Estradas de Portugal, S.A.	A1 - Estarreja / Feira - Enlargement and improvement to 2x3 lanes, between kp 265+500 and 275+468	1
	A1 - Estarreja / Feira - Enlargement and improvement to 2x3 lanes, between kp 257+500 and 265+500	1
	A2 - Sub-stretches Coima / Palmela / Setubal - KP 27+120 - KP 36+200 - Inspection so the 3rd lane could enter into service	1
EP - Estradas de Portugal, S.A.	IP2 - Celorico da Beira / Trancoso	1
	IC2 - Southern Access to Coimbra -1st Stage	2
	IC2 - Southern Access to Coimbra -2nd Stage	1
	IC5 - Murça/Carlão	1
	IC6 - Junction of Sinde / Junction of Coja	1
	IC6 - Catraia dos Poços / Arganil	1
	IC6 - Junction of Arganil / Junction of Sinde	1
	IC32 - Connection between the Junction of Funchalinho and the Junction of Lazarim	1
	EN 229 - Access to Aguiar da Beira	1
	EN 236 - Connection of the EN17 to Lousã (Access to the Mouth of the Arouce River)	1
	EN 242 - Access to Nazaré	1
	EN246-1 - Access to Castelo de Vide	1
	EN270 - Northern access of Loulé and conclusion of the connection to the EN396 between the Industrial Site and the EN270	1
	EN322 - Access between the IP3 and São Martinho de Anta	1
	EN 351 - Isna de Oleiros / Bridge of Laranjeiro	1
	EN369 - Access to the Bridge of Vila Formosa	1
Access ways to the International Bridge of Cerveira /Goian - Roadway connections to Vila Nova de Cerveira and to the EN13	1	

Table 19 – Inspections for opening to the traffic

Among the different roads and facilities open to the traffic or made available during the year of 2010 we would highlight the enlargements to 2x3 lanes of the stretch Estarreja / Feira, on highway A1, and of the stretch Coina / Palmela / Setúbal, on highway A2, both by Brisa; and of the 3rd lane on the sub-stretch Loures / Malveira, which was made available by the Auto-Estradas do Atlântico to its users prior to the conclusion of the construction works and the respective inspection, planned for the beginning of 2011. The enlargement to 2x3 lanes of the former section, CRIL / Loures, on behalf of the Concessor State under a Protocol signed in 2008. Such works are still going on in the end of 2010, and shall be finished during the 1st Quarter of 2011.

The opening of the section Gondomar / Gens, of the stretch Gondomar / Aguiar de Sousa of highway A43, in April, with an extension of approximately 4 kms should also be highlighted, materialising the opening of the first roads built by AEDL on the concession of the Coastal Douro. As well as the opening on November 27th of 2 lanes in the sub-sections Geraldês / Padronelo / Connection to the IP4, made available by Auto-Estrada do Marão after a pre-inspection by InIR IP, in line with the conclusion of the construction works and of the respective access ways and connections to the existing network, which shall only take place in 2011.

In 2010 the management of the concession contract of the Tunnel of Marão went through several events worth mentioning:

- Environmental Follow-up Committee

In face of the environmental sensitivity of the area where the concession project of the Tunnel of Marão is being developed, towards the end of 2009, an Environmental Follow-up Committee for the undertaking of the concession Tunnel of Marão was set up, coordinated by InIR IP and made up by representatives of InIR IP, ICNB; ARH North, CCDR-N, APA, the Concessionaire and ACE constructor which has competences for, among other things:

- Evaluate the Environmental Management System of the Construction Works and monitor its execution,
- Monitor the execution of mitigation and minimisation measures,
- Determine corrective measures deemed necessary,

- Validate periodic reports to be prepared by the promoter, regarding progress in the implementation of environmental measures.

In 2010, the Environmental Follow-up Committee defined and started its follow-up regimen through periodical visits and meetings.

- Approval of Updated Work Plans

As a consequence of the suspension of the construction works following from injunctions lodged by an allegedly affected individual, it became necessary to approve, pursuant to the terms and for the purposes foreseen in the concession contract, Updated Work Programs defining new opening dates for the sub-sections Geraldês / Padronelo / IP4 – November 19th 2010 – and for the sub-section IP4 / Campeã – November 13th 2012.

The analysis was finalised and the Quality Control Plans (PCQ) for the following concessions were approved:

- EP, SA;
- Brisa Auto-Estradas de Portugal, SA,

The proposals for changing the PCQs of the following concessionaires continued to be analysed:

- AEDL – Auto-Estradas do Douro Litoral, SA;
- EUROSCUT – Sociedade Concessionária da SCUT do Algarve, SA;
- Ascendi Beiras Litoral e Alta, Auto-Estradas das Beiras Litoral e Alta, S.A

The analysis of proposals to alter the PCQs of the following concessionaires was initiated:

- Ascendi Norte, Auto-Estradas do Norte, SA;
- Ascendi Grande Porto, Auto-Estradas do Grande Porto, SA;
- Ascendi Costa de Prata, Auto-Estradas da Costa de Prata, SA;
- Ascendi Grande Lisboa, Auto-Estradas da Grande Lisboa, SA.

We would highlight the especial relevance of pursuing the actions connected to the responsibility of Administrative Authority, aiming at ensuring that the minimum safety requirements for tunnels located in the national roadway network with an extension above 500 meters are complied with, besides those located in the national trans-European network.

The analysis and preparation of Assessment Reports for Accidents that occurred on the national roadway network, should be highlighted, namely on the A25.

The development of a computer application for assessing Availability was also started, aiming at responding to the requirements introduced with the publication of the new concession contracts for the former-SCUT, within the scope of competences of InIR IP, to supervise the management of the roadway network and to enforce the applicable rules and obligations, according to the law and the respective contracts.

## 1.5.5. Cooperation, International Representation and Technical Dissemination

### 1.5.5.1. Community of Portuguese Speaking Countries (CPLP)

The cooperation initiatives with CPLP countries materialised through the signature of three protocols of cooperation held between InIR IP and similar entities, which were later on ratified by the Ministry:

- Protocol for technical and scientific cooperation between InIR IP and the National Roads Administration (ANE) of Mozambique – March 3rd;
- Protocol for technical and scientific cooperation between InIR IP and the National Roads Institute of Saint Thomas and Prince (INAE) – May 24th;
- Protocol for technical and scientific cooperation between InIR IP and the National Roads Institute of Angola (INEA) - May 26th.

Cooperation with these countries was also expressed through the regular contacts that were established for the preparation and follow-up of the protocols and of the works to be developed, as well as with the technical meetings and other meetings held by managers, such as:

- 3rd Meeting of General Road Directors of the Portuguese Speaking Countries – May 24th.
- Meeting with the INEA Delegation (Angola) – May 26th.
- Meeting with the INAE Delegation (Saint Thomas) – May 26th.
- Meeting between InIR IP Managers and a Delegation from the Infrastructures and Telecommunications Committee of the Parliament of East Timor – July 27th.

Also for materialising the signature of the protocols or aiming at pursuing the works foreseen therein, contacts were established with different services and national entities, out of which we would highlight the contacts made with the CPLP and the contacts and meetings held with GAERE/GPERI and with IPAD:

- Meeting with managers and technical staff of GAERE/GPERI – this meeting was held on the 2nd March at the premises of GPERI, in Lisbon, and focused upon the bilateral cooperation with the PALOP, with Special focus upon financing cooperation initiatives and specifically financing the General Road Managers Meetings of the Portuguese Speaking Countries (CPLP);
- Meeting with the Deputy-Chairman of IPAD and with the Geographic Coordinator for Mozambique, responsible at that same Institute for the initiatives with Mozambique – the meeting was held on July 21st at the premises of IPAD, in Lisbon, and its purpose was to understand the eventual possibilities that this entity had for financing projects planned within the scope of the protocol signed with the ANE from Mozambique;
- Different contacts with the Cooperation Director of the Executive Secretariat of the CPLP.

Considering the opportunities of cooperation for promoting projects developed by Portuguese companies before representatives of the CPLP,

InIR IP promoted an introductory session for SGOA, the Management System for Art Works, for the member countries of the CPLP present in Lisbon on that date.

InIR IP contributed in a relevant way towards the initiatives for developing closer ties in the relationships of cooperation with CPLP countries developed in 2010 by the Government. In this field we would highlight the following participations and interventions:

- Official visit to Mozambique of the Prime Minister between the 2nd and the 5th of March - The Deputy-Chairman of the Executive Board joined the group of the Secretary of State for Transports. During the visit, the Protocol for technical and scientific cooperation between InIR IP and the National Roads Administration (ANE) of Mozambique was signed;
- Official visit to Mozambique of the Minister of Public Works, Transports and Communications (MOPTC), between the 28th and 29th of June - the Chairman of the Executive Board joined the group along with the Minister. During the visit, several contacts were made aiming at making the protocol that was formerly signed operational;
- Participation of the Chairman of the Board in a meeting with concessionaires held at the MOPTC on July 3rd. The meeting was part of the visit of the Minister of Urbanism and Construction of Angola;
- The Chairman of the Board also took part in the ceremony of signature of a Memorandum of Understanding held between the Minister of Public Works, Transports and Communications, the Minister of the Environment and Territory Planning of Portugal and the Minister of Urbanism and Construction of Angola. The Memorandum of Understanding was signed on the 15th of July and InIR IP was one of the parties involved;
- The Chairman of the Board also took part as the keynote speaker, in a workshop on the topic "Public – Private Partnerships and Modernization of Roadway Infrastructures in Angola", held in Luanda on September 28th.

## 1.5.5.2. Bilateral Cooperation with Spain

Regular contacts were continued with the technical staff and managers of the Dirección General de Carreteras (DGC). The cooperation was publicly materialised through the following meetings:

- Joint Luso Spanish Bridges Committee (CMLEP): – the meeting was held at InIR IP on the 27th of October of 2010, with the official delegations of both countries;
- Joint Technical Committee for the Bridge over the Tâmega River, between Vila Verde da Raia and Feces de Abaixo – the meeting was held at InIR IP on the 27th of October of 2010, with the official delegations of both countries;
- Joint Technical Committee for the Bridge over the Maçãs River, between Quintanilha and San Martin de Pedroso – the meeting was held at InIR IP on the 27th of October of 2010, with the official delegations of both countries;
- Steering Group for the Study of the Exploratory and Conservation Works for International Bridges (GRCEPI) – the meeting was held on the 14th of April of 2010, in Huelva. For logistic reasons, InIR IP was not represented at the meeting, but the Institute cooperated and followed up on the preparatory and subsequent works.

## 1.5.5.3. Cooperation with other European Countries

The cooperation between InIR IP and other European Countries was mostly materialised through its participation and follow-up on the works of the Conference of European Directors of Roads (CEDR) - a forum for the discussion and intervention on European Roadway Policies - which includes the highest responsible for Road Administration and the highest Roadway Authorities of Europe. CEDR organises meetings between the above mentioned persons, at the level of the respective top organisms (Governing Board and Executive Board) and technical meetings of thematic work groups.

InIR IP takes part on a regular basis in the works of the Governing Board and of the Executive Board and in the work group Task 15 which activities include “Customer Orientation of the National Road Administrations.

Also during 2010, and regarding the participation in Working Groups within the scope of the European Union, a report was delivered to the European Union on the follow-up of the implementation of the directive on Safety in Road Tunnels.

#### **1.5.5.4. DIRCAIBEA**

The cooperation between InIR IP and the Iberian Peninsula and Latin America countries was mostly materialised through the participation and follow-up on the works of the Council DIRCAIBEA, a forum that brings together the Chairman and/or General Directors of Road Authorities and Administrations of Portugal, Spain and Latin American countries. An official visit was made to the city of Mexico, between the 22nd and the 25th of April, so that the Member of the Board could take part in the 21st Session of the Council of DIRCAIBEA.

#### **1.5.5.5. World Road Association (AIPCR/PIARC)**

InIR IP ensured the current management of the Portuguese National Committee of AIPCR, as well as the translations of the summaries of technical documents published in ROUTES/ROADS as well as for all the necessary initiatives for the participation and follow-up on the works of the Technical Committees.

It also took part in the activities of the management bodies, namely in the Internal Auditors meeting (Paris, 31st of March), and in the meeting of the Finances Committee (Madrid, 26th and 27th of April) and in the Council meeting.

Regarding the Preparatory Works for the next World Road Convention, Portugal, through InIR IP, submitted two national reports to the organization of the Convention, as part of strategic topics A and D, respectively, “ Minimise the impact of the Roadway System upon climate changes “ and “ Management of Road Assets within the Context of Sustainable Development and of the Adaptations to Climate Changes”.



InIR IP also took part in the activities of the Internal Auditors meeting (Paris, 31st of March) and in the Finances Committee meeting (Madrid, 26th and 27th of April).

### 1.5.5.6. Technical Committees and Working Groups

InIR IP integrates different Technical Committees and Working Groups related with the information, analysis and deep understanding of the issues related to the topics of the roadway infrastructures sector, representing the State both at national and international levels.

Following is a list of the Technical Committees and Working Groups with meetings conducted during the year:

- Technical Committees of AIPCR/PIARC:
  - CT A.1 - Environment Protection;
  - CT B.1 - Good Governance of Road Administrations;
  - CT B.2 - Operation of Road Networks;
  - CT C.1 - Safer Roadway Infrastructures;
  - CT C.2 - Operation of Safer Roads;
  - CT C.4 - Operation of Roadway Tunnels;
  - CT D.1 - Management of Road Assets;
  - CT D.2 - Road Pavements.
- Working Groups within the scope of EasyWay:
  - ES4 - Marenostrum;
  - ES5 Datex II;
  - ARTS ;
  - Steering Committee;
  - TEN-T EA;
  - National ITSs.

At national level, and as support initiatives for the development of the works, seven meetings with the group of Portuguese Partners, and six meetings were also held within the specific scope of the organisation of the Annual Forum held in Lisbon.

- Technical Committees within the scope of the Sectoral Standards Organism (ONS - InIR IP)
  - CT 129 - Paving Materials
  - CT 153 - Bituminous Binders
  - CT - Aggregates
  - CT 155 - Road Equipment
  - CT 157 - Telematics of Transports and Road Traffic
- Standards Technical Committees of the CEN - European Standards Committee and of ISO - International Organization for Standardization:
  - CEN/TC 50 - Lighting columns and spigots;
  - CEN/TC 154 - Aggregates;
  - CEN/TC 169 - Light and lighting;
  - CEN/TC 226 - Road equipment;
  - CEN/TC 227 - Road Materials;
  - CEN/TC 278 - Road Transport and Traffic Telematics;
  - CEN/TC 336 - Bituminous Binders;
  - CEN/TC 337 - Winter maintenance and road service area maintenance equipment;
  - ISO/TC 204 - Intelligent Transport Systems.
- PNAAS - National Action Plan Environment and Health
  - Air Project Team;
  - Noise Project Team.
- CNREN - National Committee of the National Ecologic Network
- Trans-European Transportation Network

## **1.5.5.7. Dissemination**

As part of the objective of dissemination of relevant technical information and exchange of good practices, the internal principle of disseminating the main results or the main topics addressed was pursued, following the technical meetings, through the presentation and dissemination of participation reports or through the preparation of brief notes on the meeting.

Still as part of the same objective a set of information related to topics of interest for the sector and for InIR IP was disseminated both internally and externally (intranet and Internet). Namely work programs of the Presidencies of the European Union; reports from OTEP; seminars and training initiatives.

## **1.5.6. Relationships with Users**

InIR IP's responsibilities include "assuring and monitoring the protection of user rights and interests". That responsibility was developed into several lines and courses of action that are presented below.

### **1.5.6.1. Licensing Requests from Users and Municipalities**

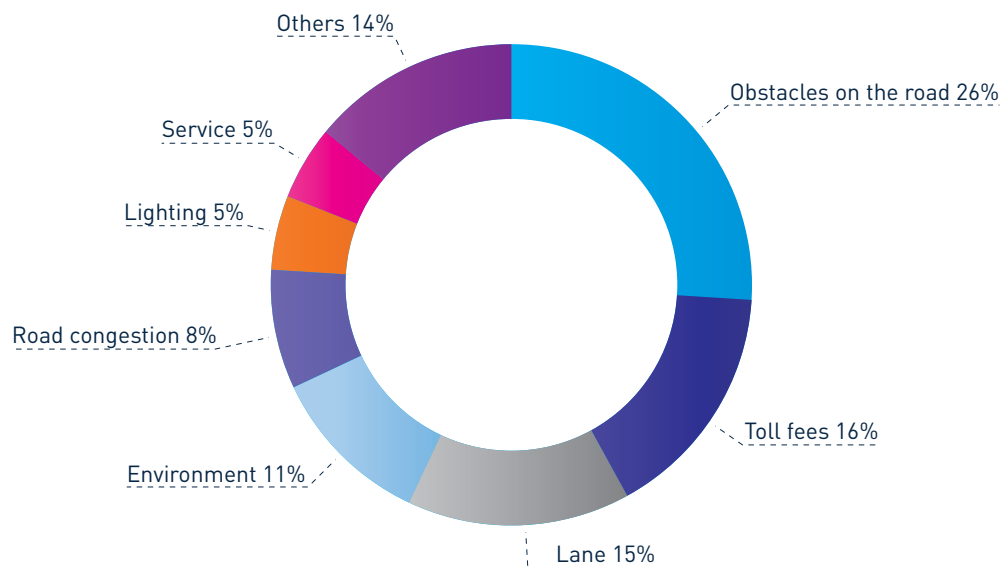
In 2010 about 80 processes related to licensing requests for the installation of advertising billboards by the highways of the National Roadways Network under concession were analysed (except for the concession EP, SA), coming both from individual users as well as from Municipalities.

### **1.5.6.2. Management of Complaints from Users**

The operationability of the interface system between concessionaires and users was consolidated in what concerns the management/supervision of complaints. Now users can consult online the status of the complaints they submitted to InIR IP, regarding the services rendered by the concessionaires. Timely implementation of this functionality helped to exceed one of InIR IP's goals of QUAR 2010.

InIR IP received a total of 356 reports; out of which 88% were complaints; 8% were enquiries and the remaining 4% were suggestions.

The reports from users, by type of event were distributed as shown in the following diagram:



Picture 12 – Percentage distribution of reports per type of event

What stands out is the fact that the three main reasons for users' reports are – obstacles on the road, toll fees, and circulation lanes - which were the same as in the previous year.

In the first quarter of 2010 the Annual Complaints Report was prepared and which can be used as a source of information for all stakeholders in the sector, namely users. It also helped to substantiate the recommendations issued to the concessionaires in order to improve the roadway network's operating conditions and in that way assure a public service with better quality.

### 1.5.6.3. Geographic Information Systems

Maintenance/Update of the Geographic Information Systems (SIG) enabled the external availability of georeferenced information on the roadway network through the institutional web portal.

An application was developed, integrated within the Geographical Information platform, for analysing and reporting traffic data in Business Intelligence and a specification for the exchange of traffic data with the concessionaires was defined/agreed upon. These developments shall enable a more efficient access to traffic data by users in 2011.

#### 1.5.6.4. Administrative Offences

In 2008, InIR IP was made responsible for managing administrative offences for the non payment of the use of tolled highways. The system created for such purpose has undergone changes arising from the follow-up on the procedural maturity of the administrative offences that are received.

In 2010 the system had two main developments:

- A significant amount of unpaid administrative offences was forwarded to the judicial sphere.
- A new software was introduced for de-materialised handling of proceedings related to administrative offences.

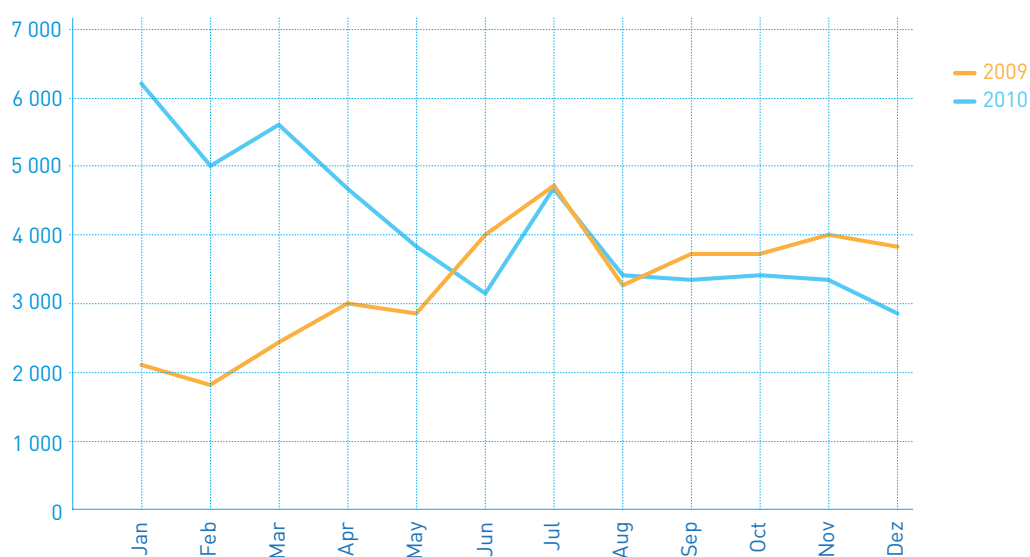
#### 1.5.6.5. Electronic Portal and Microsites

The electronic institutional portal – [www.inir.pt](http://www.inir.pt) - is an interface with increasing relevance in the relationships of InIR IP with users and partners in the sector.

The use of the portal has the following main areas:

- availability of technical and information documents produced and disseminated by InIR IP;
- online completion and consultation of complaints by users (conf. ante)
- access to georeferenced information on the roadways network (conf. ante)

The evolution of visits to the external portal and the comparison with 2009 is shown in the diagram below:



**Picture 13 - Visits to the External Portal**

The use of an Extranet hosting areas of collaboration oriented towards specific groups facilitating the implementation of actions undertaken by InIR IP that involve external entities is also available.

InIR IP produced and maintains two supplementary microsites for the sector:

- The Portuguese Committee of AIPC, [www.pt-aipcr.org](http://www.pt-aipcr.org)
- The EasyWay Program, [www.easyway2010.inir.pt](http://www.easyway2010.inir.pt)

## 1.5.7. Institutional Communication

Institutional Communication contains a wide set of activities, which include the preparation of meetings with external entities, the preparation of institutional contents, public relations, as well as subjects related to external and internal relationships of the Institute. This chapter describes some of the main initiatives with external repercussion.

### 1.5.7.1. Public Interventions of Members of the Executive Board

As part of the external activities of the Institute, public presentations and reports from members of the Executive Board were made in different occasions. Following is a partial list of the interventions conducted in 2010:

- Presentation by Mr PCD at the opening ceremony of the Technical Committee B.1 of AIPCR/PIARC “Good Governance of Roadway Administrations”; 23rd of June;
- Presentation by Mr PCD at the meeting of the Governing Board of CEDR; Riga, 23rd and 24th of September;
- Presentation by Mr PCD at the Seminar “Major public works in transport infrastructures”, promoted by the Luso – French Chamber of Commerce; Porto, 6th of October;
- Presentation by Mr PCD at the conference debate held during the Council of AIPCR/PIARC; 21st and 22nd of October.

### 1.5.7.2. Requests from Entities of the Sector

Several responses were produced to fulfil requests on many different topics, originated by reference organisms in the sector (REPER and GPERI/GAERE, for instance), from which we could refer, just as examples, the following:

- The Lisbon Treaty;
- Bilateral cooperation with Senegal ;

- Bilateral cooperation with Morocco ;
- Bilateral cooperation with Algeria;
- Legal case from the Court of Justice C-531/09 - Non transposition of Directive 2006/738/CE from 17.05.2006;
- Preparation of the 2nd Luso-Tunisian Summit;
- 10th Luso-Brazilian Summit;
- The visit of the MOPTC to Angola in May 2010;
- TEN-T Priority Progress Report 2010;
- 4th Luso-French Summit;
- Update/Review of the roadway projects of RTE-T;
- Preparation of the 25th Luso-Spanish Summit;
- Memorandum of Understanding with Angola (15th July).
- Petition regarding the construction of the International Bridge between Ventoselo and Masueco;
- List of InIR IP's stakeholders;
- European Traffic Law Congress;
- 60th Session of the Forum on Traffic Safety and 60th Session of the Working Group on Road Circulation and Safety (Geneva, 27th to 30th of September of 2010).

### 1.5.7.3. Media and Other enquiries

Regarding external communications, answers were supplied to different requests from the Media whom requested the internal gathering of information and the respective review and validation.

Answers were also given to several enquiries namely related to support provided to academic studies and others with a diversified nature.



## 1.5.7.4. Institutional Advertising

Institutional advertising carried out by InIR IP in 2010 was exclusively made by advertisements related to requests for recruiting staff members. Thus, nineteen ads came out in the national printed press.

## 1.5.8. Innovation in the Road Sector

“EasyWay” is a European project coordinated by the TEN-T Executive Agency that has the support of the greatest number of participating Member States and is focused on the development and implementation of ITS (Intelligent Transport Systems and Services) technologies in main trans-European corridors, aiming at sustained mobility.

“EasyWay” promotes an efficient technical and financial programming, coordinated between Member States that is translated in a combined and coordinated application between three main services, namely:

- Information Services for Drivers;
- Traffic Management Services
- Goods Transportation and Logistical Services

### 1.5.8.1. Forum Easyway 2010 in Lisbon – The Opportunity

Following the participation of Portugal in the different EU initiatives within the scope of the trans-European networks, InIR IP has followed up on the European Program named Easyway, Project 2007-UE-50010-P, co-funded by the European Commission and has actively cooperated in the definition of the present goals and main guidelines in the field of Intelligent Transportation Systems (ITS) on behalf of the national interest of Portugal, as a support for the implementation of sustainable transportation policies at local, national and European level, while considering interoperability aspects.

As it is considered that joint and combined efforts by the public and private sectors are required to face this challenge and so that a wide and consensual vision on the way to operate and manage infrastructure

networks and the modes of transportation are acquired, while considering that:

- Mobility is an essential factor for the quality of life of citizens;
- A continuous effort must be dedicated to decrease traffic congestion and accidents;
- The sustainable development of the transportations sector shall lead to smaller environmental impacts;

And also, considering that the Portuguese participation is the result of a close cooperation between the public and private spheres, it was decided to promote in Lisbon, in 2010, the organisation of the Yearly EasyWay Forum.

This decision turned out to be a landmark with significant meaning for the notoriety and assertion of InIR IP at two levels:

- At International level by consolidating the Portuguese participation within the project and;
- At National level, by clarifying the role of the Regulator within the sector and among its Partners in a leadership perspective.

### 1.5.8.2. Goals of InIR IP, with its Participation

The participation of InIR IP in the Easyway program accumulates, simultaneously, two main objectives, namely that of ensuring national representation, as defined in its attributions, but also that of promoting a wider vision of mobility and interoperability.

In practical terms, supporting and enhancing this strategy, within a leadership perspective, means to strengthen InIR IP as the regulator, namely by the adoption of a more open and collaborating position with other public entities, many of which are even part of its advisory board; and also, clarifying and orientative at the level of its relationships with the other private partners that take part in the program, which are all the roadway concessionaires.

Regarding the remaining stakeholders, InIR IP is in an advantageous position in the sector to take up the role of “driving force” for the implementation of a truly integrated vision of mobility. So in 2009 it started

the construction of such vision in an articulated way, namely through its participation in European Studies 4 and 5, Marenostrum and DatexII, and by enlarging its group of partners, namely to the SCUT Concessions, to ANSR and IMTT, while the latter even participated in ES3 – Transport and Logistics.

Still under the same logic, in January 8th, following the presentation of the EasyWay Program at the meeting of the Road Safety Council, a basis for the enlargement of public participation in the Program was established, namely with the participation of the National Authority for Civil Protection, the National Institute for Medical Emergencies (INEM), and the City Halls of Lisbon and Porto.

This enlargement is fundamental for defining the positions of the Member State, of which InIR IP shall always be the representative in the Steering meetings with the EasyWay Committee and the TEN-T Executive Agency, since the implementation of European Services is transversal to several organisms, both in the public and private spheres.

In 2010 several activities were carried out within the scope of the Program, both at national and international level. 13 meetings were held with the international follow-up Group of the Program, supported within the National Program by 7 meetings with the group of Portuguese Partners. 6 more meetings were held with the Portuguese Partners as part of the organization of the Yearly Forum in Lisboa (please refer to Chap. 1.2 above).

### **1.5.8.3. The publication of the European Directive ITS - 2010/40/EU in July of 2010**

On July 7th 2010 the Directive 2010/40/EU regarding the creation of European services was published, based on the harmonised dissemination of ITS, by the different Member States.

Throughout the year the continuation of the EasyWay Program and its role as a vehicle for materialising the Directive were deeply discussed. We could state that 2010 was a year of negotiations between the EasyWay Program and the European Commission in the sense of the Program becoming adapted to the specific needs, as expressed by the Commission, through the publication of the Directive.

Through this long and difficult process some interesting results were

achieved, which respond to the Commission without completely affecting the initial logic and mood of the Program in a negative way.

We would highlight the reinforcement of coordination activities, by holding Steering Committee meetings every 2 months and by promoting the annual Forum, besides the coordination meetings to which Portugal is obliged within the Euro-region ARTS.

On the other hand, we should also highlight the creation of a new administrative body within the Program, the Supervisory Programme Board, created to respond to the expectations of the European Commission, in order to observe “in the field” the materialization of the European ITS Services, enshrined in Directive 2010/40/EU. This new Administrative Body is formed by top managers at national level, from the Member States of the European Union, who take part in the EasyWay program and from which the appropriate representativeness is expected at operational level within the scope of the dissemination of the Intelligent Transportation Systems and, simultaneously, the capacity to influence the mobility and transports policies in the respective Member States. It met for the first time in Lisbon, during the Annual Forum on the of November 16th.

Towards the end of 2010 it was clear that the path was already outlined so that EasyWay, now with increased responsibilities in terms of reporting and monitoring, could become the vehicle par excellence for materialising most of the actions foreseen in the Directive.

#### 1.5.8.4. Results achieved

The Easyway Forum held between the 16th and the 18th of November in Lisbon relied on a significant participation of Member States of the European Union and significantly exceeded the expectations of the International Organization of EasyWay.

The debate, generated by the almost 300 participants, had as its main focuses the improvement of roadway safety, the decrease of the environmental impact, and, above all, the stake on the creation of harmonised information services for users, which should be coherent along the main European road corridors.

Thus, the stakeholders – representatives from the European Commission, from roadway authorities and Portuguese and international associations,

from standardization organisms, from the automotive industry, from telecom operators, and from service suppliers, among others stakeholders connected to the transportations sector - disseminated and shared knowledge based on case studies, on new approaches and cutting edge projects and technologies. The action plan that was defined establishes goal until 2020.

The Participation of the European Commission, DG-MOVE and DG-Infso, of TomTom, among others, and the adhesion of all Portuguese Concessionaires states the successful cooperation between the public and private sector.

At national level, the cooperation between the public sector, represented by InIR IP and the private sector, represented by the Portuguese Concessionaires came out stronger and may be used for establishing a formal platform of cooperation for the implementation of intelligent transportation systems in the Portuguese highways.

Regarding international stakeholders, the presence of representatives of the Directorate General for the Information Society (DG INFSO) and of European roadway associations was fundamental in order to integrate, in a common institutional and regulatory vision, all the different points of view that were analysed, thus facilitating the implementation of the recent European Directive for ITS, which actually instituted a common and specific plan of action for the implementation of intelligent transportation systems as part of the trans-European road network.

#### **1.5.8.5. Portugal was awarded in the Easyway Forum 2010**

During the Forum, and by means of electronic voting “in loco”, the participants awarded the most innovative projects and ideas that were presented in the different sessions. Portugal received two awards, one for InIR IP and one for Ascendi, respectively on the topics of “VMS Harmonization – Portuguese State of Art” and “The experience of Ascendi in MLFF systems”.

Portugal has been increasing its investment in intelligent transports, within the scope of the Easyway Program, namely by presenting new approaches and projects as to enhance the level of quality of the services rendered to users, both at national and international level. Traffic management and video surveillance systems; environmental and movement monitoring;

vehicle classification systems and information services on highways, are just some of the examples among several projects that have earned the acknowledgement from the remaining Member States.

## 1.6. Human Resources

### 1.6.1. Permanent Staff, Recruitment and Salaries Policy

2010 was a year of progress and stabilisation for human resources, and of consolidation of a culture based on the performance and development of competencies.

However, the progress made was insufficient to make up for the lack of human resources and therefore inter-department cooperation and collaboration was once more vital in the development of several activities in order to reach institutionally programmed objectives.

By the end of 2010, InIR IP counted sixty-one workers listed as permanent staff, of which fifty-eight were actually integrated, three were providing service at the Institute under the regimen of inter-service mobility, and one was providing service in a different institution under the regimen of cession for the sake of public interest. The following table compares the evolution of staff members, by functional situation, between 2009 and 2010:

HUMAN RESOURCES	2010	2009
1.1 - Under a permanent contract	58	39
1.2 - Rendering services at other entities	1	1
2 - Under a mobility regime at InIR	3	4
3 - Human Resources at InIR (1.1 - 1.2 + 2)	60	43

**Table 20 – Present Workers**

The most significant evolution occurred in the number of workers included in the staff list of InIR IP and followed from the conclusion of the tender procedures launched in 2010 to recruit staff with and without any prior legal relationship with public work.

Type of recruitment / Type of contractual bond	Open	Concluded
Staff with and without any legal relationship with public work / Work contract for public service with unspecified duration	16	16
Staff with a legal relationship with public work / Work contract for public service with unspecified duration	8	6
Cession with public interest	1	1
Total	25	23

**Table 21 – Type of recruitment / type of employment contract**

As a result of the recruiting procedures that were launched, 16 Technical Officers, 1 Computer Expert and 6 Technical Assistants were recruited to render service at InIR IP.

Recruiting played a relevant role in 2010 given the importance of selecting qualified human resources with competencies that are in line with the Organisation's strategic goals.

As far as its remunerations policy, InIR IP is obliged to comply with the legal regimen applicable to Public Administration staff, namely the Regimen of Work Contract for Public Functions (RCTFP) and the Integrated Performance Assessment System for Public Administration (SIADAP), which define the progression of public workers' careers.

InIR IP must also comply with the annual provisions set out in the State Budget Law and in the Budgetary Execution Decree-Law.

So, within this scope, and having ensured the appropriate legal background, six and five employees had the right to regular and exceptional changes in their remunerations, respectively.

## 1.6.2. Enhancement of Human Capital

The professional training imparted over the course of 2010, in addition to having grown significantly in terms of the amount of investment made, also kept betting on a strategy aimed at granting InIR IP's workers and managers with skills that are directly linked to the functions they perform.

In this regard, training sessions and seminars were attended on Land Use Planning, Regional Land Use Plans and Municipal Master Plans; as well as on materials related to Public Budgetary Management, on the New Public Sector Labour Contract Regimen, and on the Integrated System for Assessment of Performance in Public Administration.

TRAINING INDICATORS	2010	2009
No. of sessions	13	14
No. of participating trainees	55	49
No. of hours	1.524	424
Direct costs (Euros)	14.850	10.505

**Table 22 – Training Sessions**

As seen in the previous table, the amount of investment with training grew approximately 41% comparing with 2009, and the number of training sessions held had a 12% growth.

It should also be stressed that training targeting InIR IP's core activities as a supervising and inspecting institution in the road infrastructures sector was given priority. In order to select the investment to be made, the criterion used was that of suitability to the duties of the employees.

The evaluation of performance within the scope of SIADAP (Integrated System for Assessment of Performance in Public Administration) 2 and 3 was fully supported and executed through IT means. To this effect, InIR IP implemented an IT application called SIADAP123, through which all manager and worker evaluation processes are carried out.

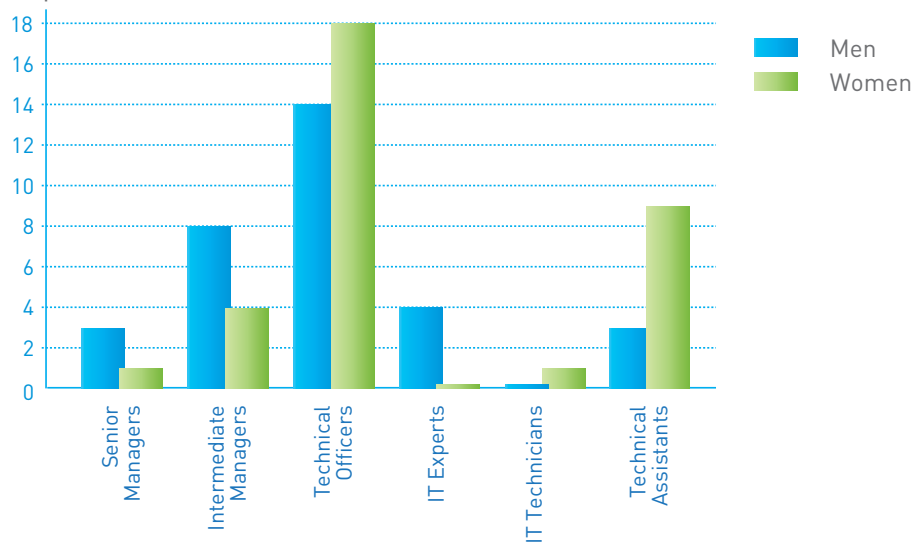
Out of the sixty employees rendering service at InIR IP by the end of 2010, only fifty two fulfilled the legal requirements to be assessed within the scope of the performance assessment process for 2010.

### 1.6.3. Quantitative and Qualitative Profiles

In general terms and according to the elements shown in the diagram below, there is a balance in terms of gender distribution, as far as staff on duty.



Regarding distribution by professional categories, there is a predominance of Senior Technical Staff, coinciding with real qualification needs required to perform at Institute.

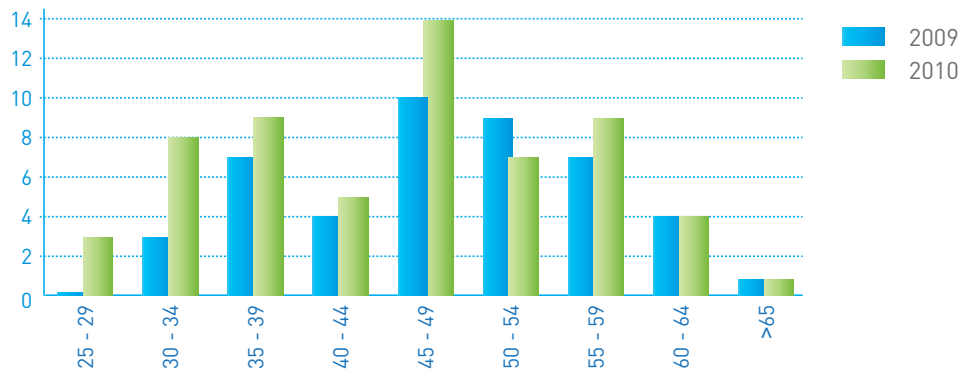


**Picture 14 – Distribution by professional category and by gender**

The permanent staff working for InIR IP by the end of 2010 comprised 60 staff members including the Executive Board, of which 28 were men and 32 were women. These figures show a clear gender balance.

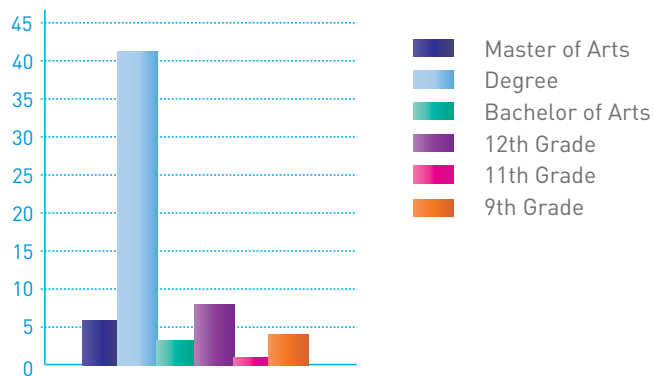
Regarding age distribution, the diagram shows that there is a prevalence of workers aged between 45 and 49. The two following groups include workers aged 35 to 39 and 30 to 34, with 10 and 8 workers, respectively.

It should be highlighted that between 2009 and 2010 there was a rejuvenation of the employees at the service of InIR IP, with 65 % of the employees belonging to age groups below 45 years, while, at the same time, the level of experience and high degree of skills was kept, as naturally demanded by the mission of the Institute and respective responsibilities.



**Picture 15 - Age Structure**

In what regards the level of qualifications of human resources, it reflects an Organism that strongly invests in recruiting highly qualified workers, always giving priority to personnel with a high level of knowledge and skills in the core business of the Institute.



**Picture 16 - Level of Academic Qualifications**

When considering the data presented in the diagram above, we can conclude that 80% of the present workers have a higher level of education, of which 13% have a Master's Degree.

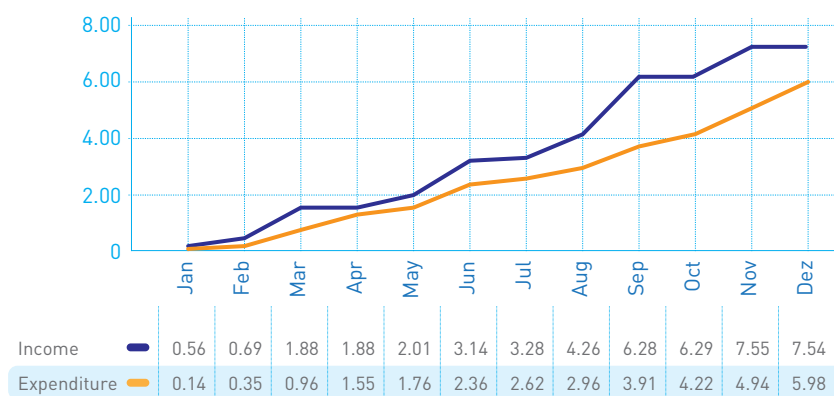
## 1.7. Financial and Economic Resources

### 1.7.1. Budgetary Execution

The above presented budget implementation values are built on a public accounts basis, truthfully state the transactions made during the accounting year and are evidence of the cash flows verified. In addition, it also shows that financial means were correctly allocated according to that which is approved by the budgetary authority.

Budgetary execution for 2010 was marked by two facts which had a relevant impact in the final figure and in the development of the activities throughout the year, namely:

- The exceptionally late disclosure of the State Budget – only in April - when the income and expenditure items subject to blocking, and its respective percentages, were finally known, due to the budgetary restraint implemented for reducing the public deficit;
- The limitation imposed on the use of 2009's Management Balance, which, despite being fully integrated, had authorisation for use of only M€0.55 from a total of M€1.73.



M€

Picture 17 – Evolution of Income and Expenditure

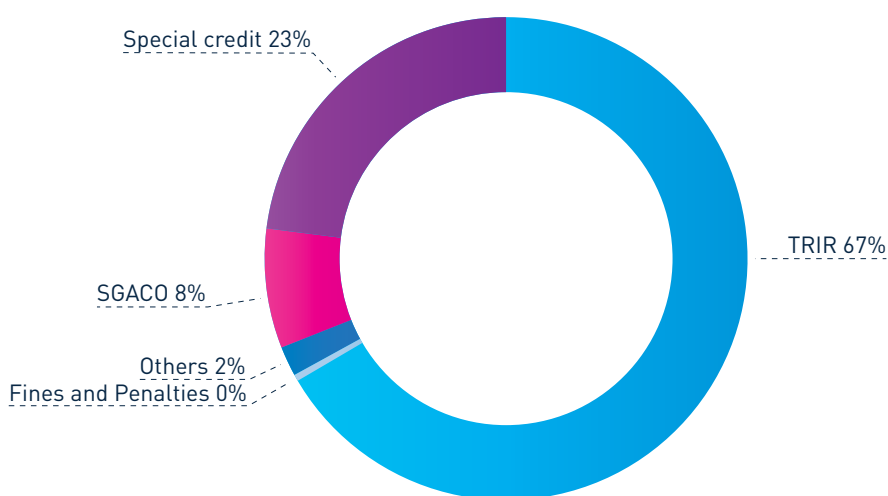
Income Aggregates	Corrected Budget	Performance	Expenditure Aggregates	Corrected Budget	Performance
TRIR	4,95	5,06	Staff	2,59	2,35
Fines and Penalties	1,50	0,00	Temporary work	0,57	0,41
Others	0,13	0,16	Structure	1,20	1,02
SGACO	0,80	0,59	Projects	2,32	1,50
Special Credit	1,73	1,73	SGACO	0,72	0,70
Total	9,11	7,54	Total	7,40	5,98

M€

**Table 23 – Budgetary Execution**

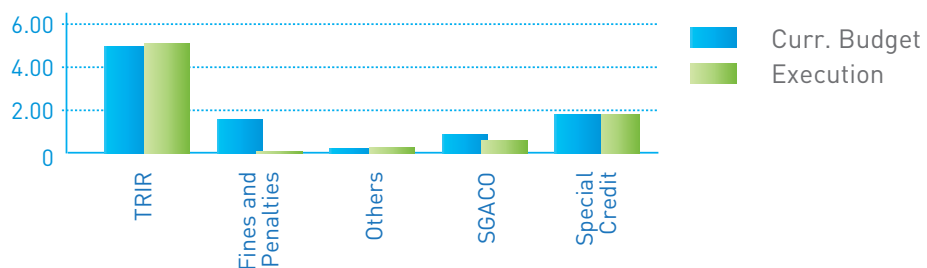
As far as revenues are concerned, the final performance was quite adjusted to budget forecasts, except for the item Fines and Penalties. It should be highlighted that, in 2010, InIR IP did not benefit from any direct transfers from the State Budget, as had happened in 2009. Thus, and for the second consecutive year, its activities were funded resorting exclusively to own income.

The main component of revenues was the TRIR, which represented 67% of the total amount collected. If we exclude Special Credit, the weight of the TRIR is 87% of Income, thus confirming the central role this fee has in funding the regulatory entity of the sector.



**Picture 18 – Income Structure**

By the end of the year, M€5.81 were received as Own Income, and an additional M€1.73 from Special Credit, of which only M€0.55 was used, as mentioned before. The degree of final performance for Income was 83%.

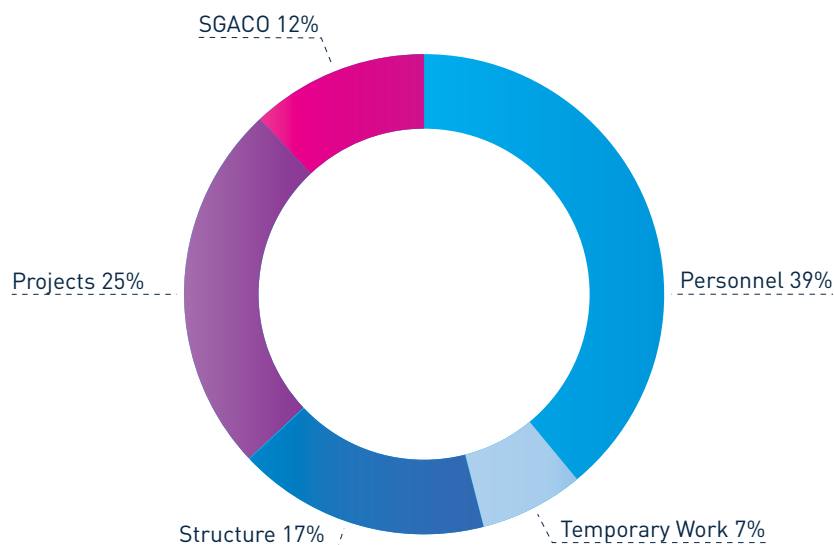


M€

**Picture 19 – Revenue Performance Level**

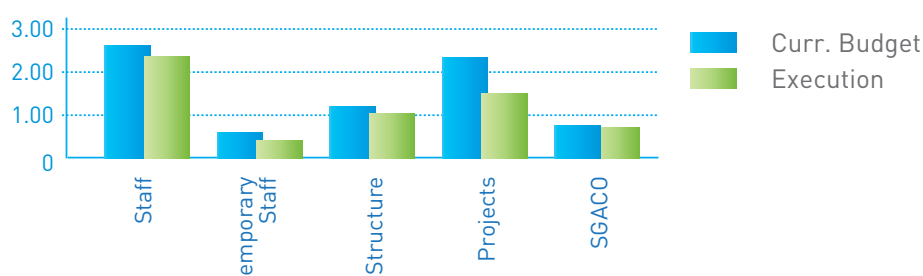
On the Expenditure component, InIR IP managed a proposed budget of M€7.38. Considering the amount blocked as a consequence of the Budgetary Law and of the integration of Special Credit, by the end of December the amount available was M€7.40.

The aggregates with greater weight in the expenditure were Staff, Studies and Projects, respectively with 39% and 25% weight upon the structure, as may be observed in the following picture:



**Picture 20 – Expenditure Structure**

The final amount of committed expenses was M€7.02, and of executed expenses M€5.98, corresponding to a final performance of 80.8% of the corrected budget.



M€

**Picture 21 – Expenditure Performance Level**

By the end of 2010 a Management Balance of M€1.73 was calculated, as shown in the following table:

MANAGEMENT BALANCE	
Management Balance 2009	1,73
Own Income 2010	5,81
Expenditure 2010	5,98
Management Balance 2010	1,56

M€

## 1.7.2. Economic and Financial Situation

Ever since the beginning of its activities InIR IP chose to apply the Official Public Accounting Plan (POCP, Decree-Law 232/97, from September 3rd), to report its economic and financial situation, as a complement to the cash-flow information expressed through its budget accounting. The figures for accrual accounting now being disseminated comply with the respective principles and standards, namely in what concerns the consistency of the accounting policies followed, the specialization of costs and income, historical costs, prudence, materiality and non compensation.

Regarding the Balance sheet, 2010's Assets accounts preserve two features which had already been seen in the previous fiscal year: a high

level of Immediate Liquidity, although with a decreasing trend; and a significant weight of Active Accruals and Deferrals, mostly as a result of income accruals from estimated administrative offence collections.

As far as the second side of the Balance sheet, this year does not show any structural novelties in face of the previous years. The accounting dimension of Own Funds stands out, by coming to weight over 70% of the second side of the Balance sheet, as a result of the strong positive results of former years as well as credits from third parties in the amount of M€1.92. The latter amount, although quite high, refers almost totally to amounts to be distributed to third parties as part of the EasyWay Program and of the administrative offence collections. The year closed with current debts to suppliers limited to the amount of M€0.19, a residual figure, considering the volume of external supplies and services of the year.

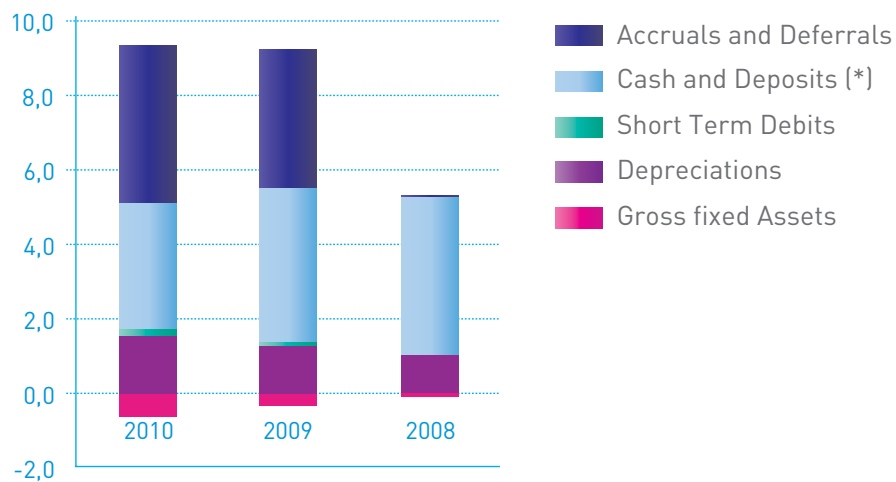
BALANCE SHEET		2010	2009	2008
Assets	Gross Fixed assets	1,524	1,228	1,016
	Depreciations (-)	0,680	0,364	0,096
	Short-term Debts	0,182	0,112	0,002
	Cash and Deposits (*)	3,399	4,178	4,221
	Accruals and Deferrals	4,246	3,732	0,020
Own funds and Liabilities	Own Funds without Net Reserves for the Year	5,201	3,503	0,573
	Net Result for the Year	0,926	1,686	2,930
	Provisions	0,067	0,055	0,000
	Third Party Credits	1,916	3,028	1,073
	Accruals and Deferrals	0,560	0,614	0,587
	Total	8,671	8,886	5,163

M€

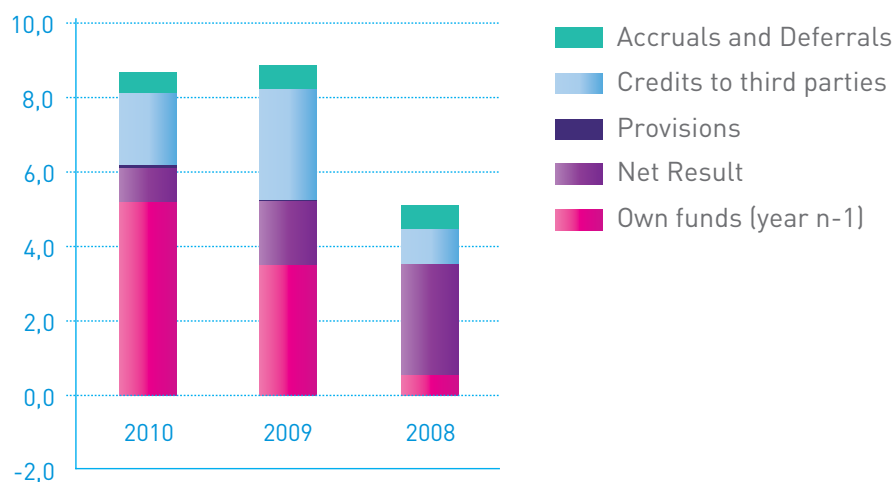
In 2010 it includes M€0.004 from Inventory.



## Assets



## Own funds and Liabilities



M€

Picture 22 – Balance sheet

Regarding the Operational Account, in 2010, just as in 2009, InLR IP had no income coming from the State, as opposed to what had happened in 2008.



The TRIR, the main funding source for the Institute, saw a slight drop in comparison with the previous year, as a direct result of drop in the evolution of traffic levels in the network under concession. The volume of fines applied to Concessionaires and petrol stations was also relevant, amounting to M€1.18. It is included in the attached tables and graphs under the denomination “Others”.

Costs with staff recorded a 20% increase in 2010, reflecting the completion of the Permanent Staff map. On the other hand, the 50% drop in the costs of External Supplies and Services resulted from the restraint in the costs of SGACO operations.

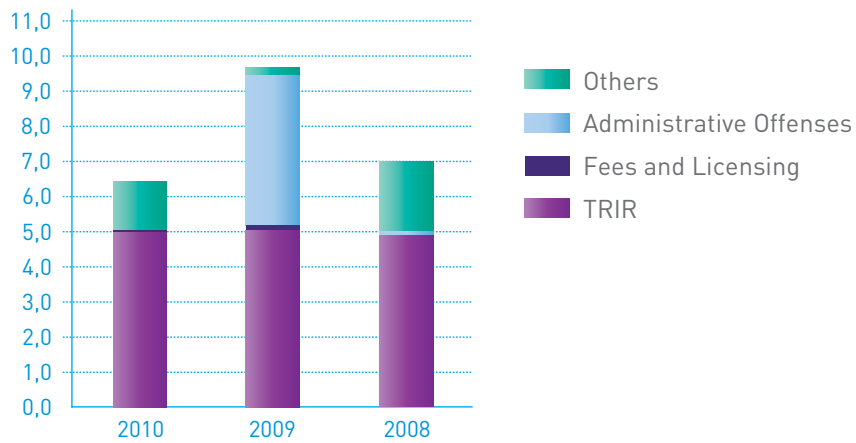
For the third consecutive year InIR IP recorded a positive net result, although lower than previous years. This reflects the sustainability of the financial model underlying the sector to which the Institute belongs.

PROFIT AND LOSS ACCOUNTS		2010	2009	2008
Profits	TRIR	4,941	5,043	4,936
	Fees and Licensing	0,059	0,165	0,000
	Administrative Offences	0,000	4,226	0,070
	Others	1,405	0,196	1,998
	Total	6,406	9,630	7,005
Costs	Suppl. External Services	2,685	5,418	2,499
	Staff	2,407	1,991	1,454
	Depreciations	0,316	0,268	0,093
	Others	0,073	0,266	0,030
	Total	5,480	7,944	4,075
Net Result		0,926	1,686	2,930

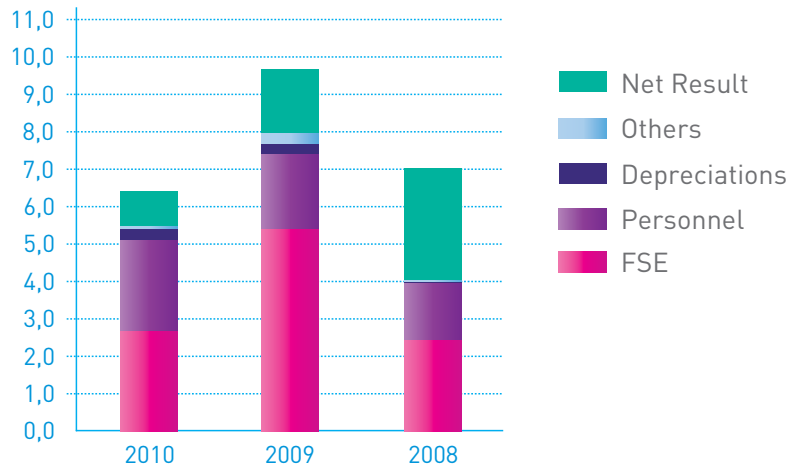
M€



Profits



Costs and Net Results



M€

Picture 23 – Profit and Loss Account

The Executive Board, InIR IP

Alberto Conde Moreno  
President

João Sousa Marques  
Vice-President

Rosário Rocio  
Member



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