

Title: "Criteria to Formulate Toll Politics in Transportation Sector."

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Case Study: Investigations to Set Rate's Politics in Latin-America transportation sector."

Structure of Paper: see abstract below.

Structure of Lecture: Oral presentation by Oscar Salcedo and Camilo Correal, aided by Power Point visual aids.

Commitment: the authors and speaker commit to, duly registered, attend the seminar.

Language of paper and talk: Spanish Time: 30 minutes.

PAPER'S ABSTRACT: The decision in the transportation sector toll levels usually represents a critical part for those who take the decisions.

Before getting involved in procedures, methodologies and/or very sophisticated formulas that are centered in specific elements, it is advisable to have a politic that analyzes in a whole way the relation between the toll and economical, social and politic elements, and also that define the applicable basic criteria to determine the toll in the road sector.

These paper, based in studies and investigations made in Latin America, mainly Colombia, describes the basic principles for toll regulation, which leads to the toll politics formulation in the road sector. These principles consider a wide range that covers criteria such as:

Effectiveness, in terms of inconvenience to incorporate mixed funds, the need of transparency in the public allowance cases, minimize the impacts on the marginal decisions for the users and motivate the introduction for efficient costs.

Equity, in terms of the need to avoid prices that represent a discrimination among the users, by charging different prices to different consumers, excepting those cases where the operator, for government politics is authorized. For example, lower prices for communities close to the project.

Trust, in terms that should exist clarity and valid contractual terms to set the

conditions to determine the prices in a future. They have to be clearly establish, both the factors that will influence in the rate (inflation-income level-others) and the methodology to update them (checking frequency- necessary information for checking? unforeseen expenses? others).

Recovering, in terms that prices should permit the investor recovering, the cover for operative costs, investment costs, the obligations imposed by regulator or other authorities and an acceptable investment return. It should be watch the price does not increase because operator inefficiencies, defining in a very specific way the costs and expenses that exceed the operative needs in efficient terms.

Easiness and Simplicity, in terms where the prices calculation methodology must be simple and easy to understand, avoiding difficult outlines, which should require specialists participation and the integration of specialized committees in order to do such checking.

Social factibility, in terms where the applicable ratetoll levels should have a direct relation with the real capacity of society to cover them, or in the lack of these terms, be able to set "shadow price" outlines, complementary to the investor recovering, as a government direct action.

The paper will talk about the application level of these criteria in the Colombia concession programs, and will close, in a qualitative way, with the impact in the different rate level in the respective concession programs of each one of these criteria and with a general vision about the basic elements to formulate toll politics for the road sector.