Nye Veier

Håkon Lohne

Project manager - planning department



Agenda

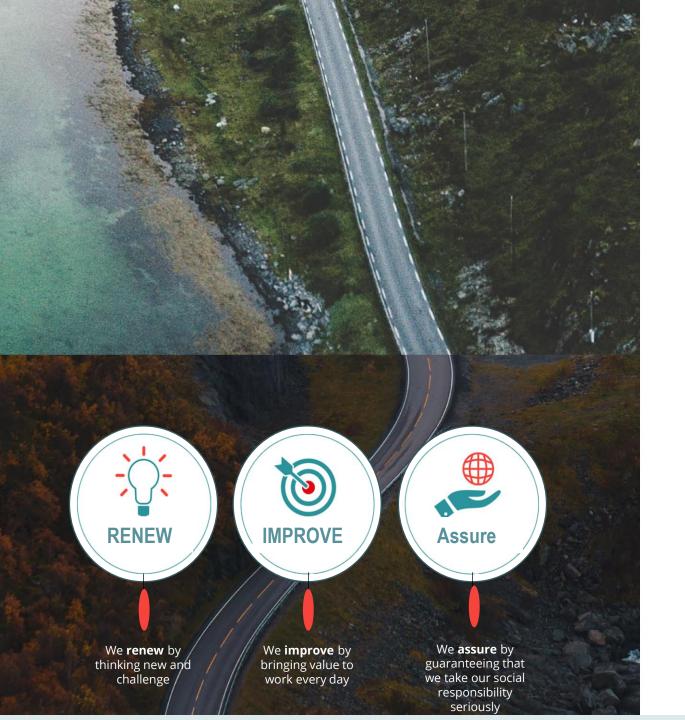
- Nye veier (what we are, how we work)
- From a highway company to also improving roads
- How we prioritize
- Short brief about Rv 13 and its challenges
- How we work to calculate the overall economy of natura hazards



Nye Veier AS

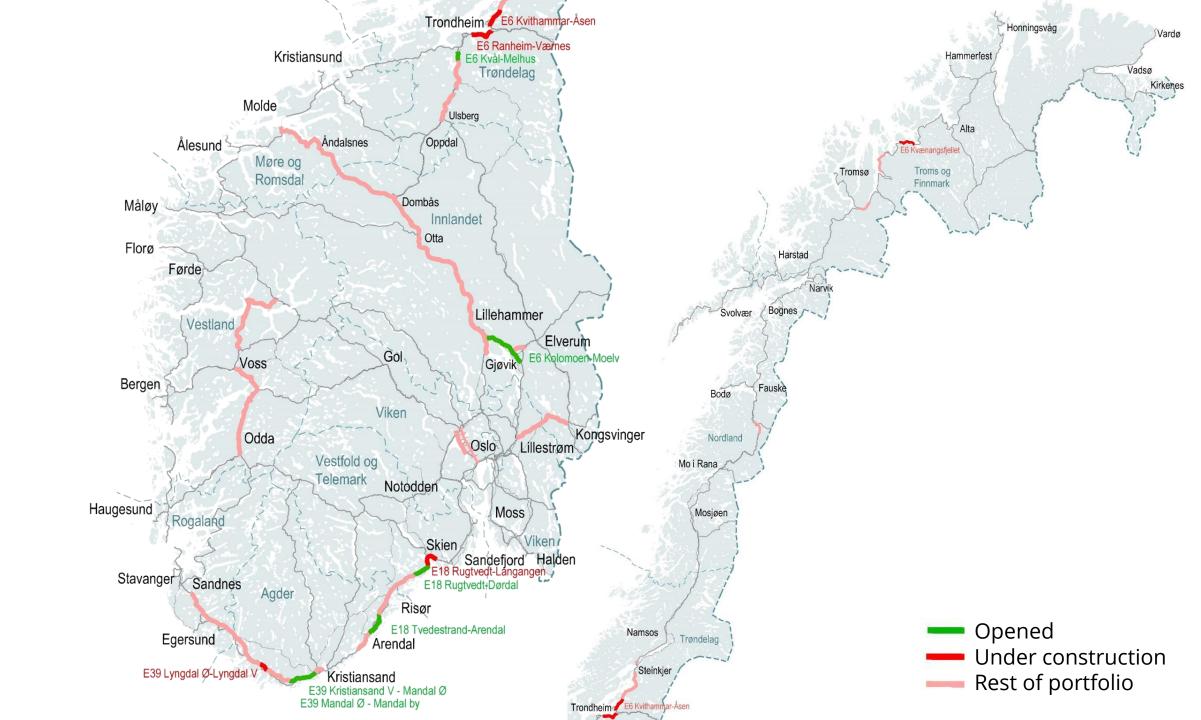
- Established 1st of January 2016
- Owned by the Ministry of Transport and Communications
- Financed 6 billion from government and 4 billion road tolls
- HQ in Kristiansand
- Project offices where we build/ plan to build
- 175 employees
- Planning, building operating and maintaining state roads all over Norway





BUSINESS STRATEGY

- 1. INCREASE COST-BENEFIT AND SOCIOECONOMIC PROFITABILITY IN ALL PROJECTS
- 2. EFFECTIVE ORGANISATION FOR PLANNING, CONSTRUCTION AND OPERATION OF INFRASTRUCTURE
- 3. CLEARLY SOCIAL RESPONSIBILITY, STRENGTHEN HSE WORK
- 4. LEADERSHIP ROLE IN ENVIRONMENTAL AND CLIMATE IN INFRASTRUCTURE



A brief story

2016

2019

2021

2022

Into the horizon:

2023 -

Mission: To build highways between big cities

Cost cutting is possible: We got three new projects

The model works: We got eleven new projects within district roads and railways through NTP

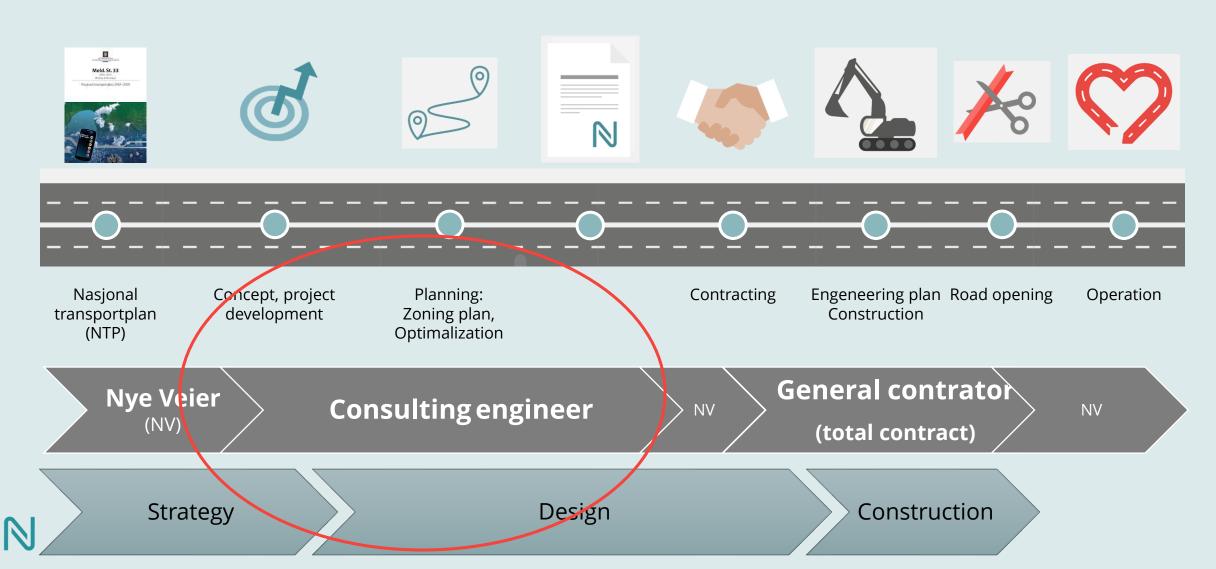
The difficult year: Price growth and more to maintain

Part of the solution at a time when the public sector must reduce costs



økende oppmerksomhet i samfunnet på klima og natur

A project in Nye Veier and project organization



Hvordan vi prioriterer

- NyeVeier AS prioritizes road projects based on socio-economic profitability.
- Sections with high socio-economic profitability are carried out before those with low/negative profitability.
- This includes assessments of net ripple effects, traffic safety, and societal security.
- The Norwegian parliament has given Nye Veier the mandate to determine the order of projects based on these criteria



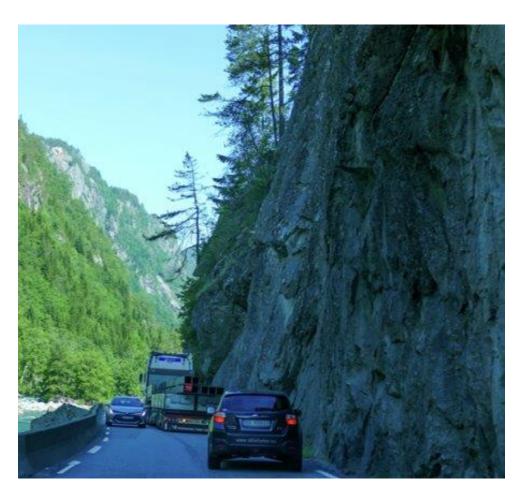
We emphasize hard and soft data

		Sum prissatte virkninger	
Stre	kning	Netto nytte per krone	
1	E16 Kongsvinger-E6		
2	E18 Tvedestrand-Bamble	-0,5	
3	E18 Arendal–Grimstad	-0,5	
4	E18 Ytre ringvei	0,2	
5	E39 Lyngdal-Ålgård	0,0	
6	Rv. 13 Skare-Sogndal		
7	Rv. 4 Hunndalen–Mjøsbrua	0,0	
8	Rv. 25 Hamar–Løten	-0,7	
9	E6 Moelv-Øyer	-0,2	
10	E6 Øyer–Otta	-0,5	
11	E6/E136 Otta–Dombås–Vestnes		
12	E6 Ulsberg-Melhus	-0,2	
13	E6 Åsen–Steinkjer	-0,4	
14	E6 Sørelva-Borkamo	-0,8	
15	E6 Nordkjosbotn-Hatteng	-0,8	
16	E6 Olderdalen–Langslett	-0,5	
17	Ringeriksporteføljen	-0,5	

Sentrale ikke-prissatte virkninger					
Samfunnssikkerhet score	Areal som berører naturmangfold dekar per km	Sum jordbruk- og naturareal dekar per km			
6	-4		-452		
4	-7		-551		
3	-5		-428		
6	0	I	-23		
2	-67		-534		
2					
4	-26		-395		
2	0		-429		
4	-17		-458		
2	-35		-384		
2					
4	-36		-479		
4	-10		-315		
4	-26		-531		
1	-167		-422		
5	-5		-111		
4	-41		-1016		

Challenges of moving from being a highway company to also having improvement sections



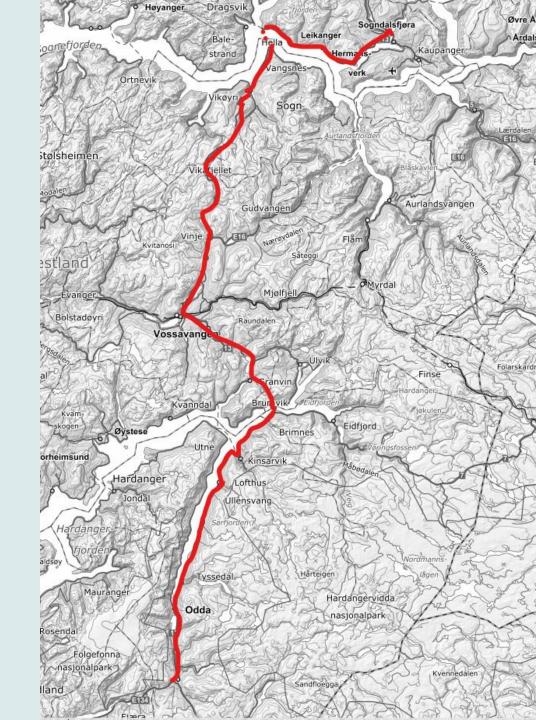






RV 13

- Approximately 220 kilometers
- Diverse challenges from fjords to mountains
- Large variations in standards
- Significant variations in Annual Average Daily Traffic (AADT)
- Many avalanche challenges
- AADT ranging from 600 to 6000 on different stretches

















The approach

- Based on a "top down" approach
- Overall route assessment
- Detailed route assessment
- Assessment of relevant measures within the sections
- Prioritization of the various measures



Route analysis Rv. 13

Overall route assessment:

Divided into five main sections

Skare-Odda

Odda-Hardangerbrua

Hardangerbrua-Voss

Vinje-Vangsnes

Hella-Sogndal

The rough analysis has provided an overall prioritization of sections as well as an indication of areas that require more detailed assessments



The detailed route assessment

- The detailed route assessment has been based on the needs identified in the overall route assessment.
- Smaller sections and points on sections have been assessed at a more detailed level.
- Solutions and further processes are identified
- The detailed route assessments, together with the overall route assessment, provide a basis for prioritizing measures

A portfolio list has been drawn up



Assessment of individual measures

- Individual measures have been assessed in order to prioritize between the various measures in the portfolio list
- The measures that have been given the highest preliminary priority are those that have been assessed
- A new iteration of assessments will be carried out once the first measures have been launched
- · Measures are assessed based on:
 - Investment cost and NPV (if relevant)
 - Type of solution
 - Permanent or temporary
 - Compliant with requirements or is there a need for deviating solutions
 - Land acquisition need for and uncertainty related to land acquisition
 - Status in relation to PBL regulation, building permits and remediation measures
 - Implementation potential start-up and the possibility of simultaneous implementation

Based on the assessment of the individual measures, we can prepare prioritized implementation lists for different scenarios with different prioritization criteria.



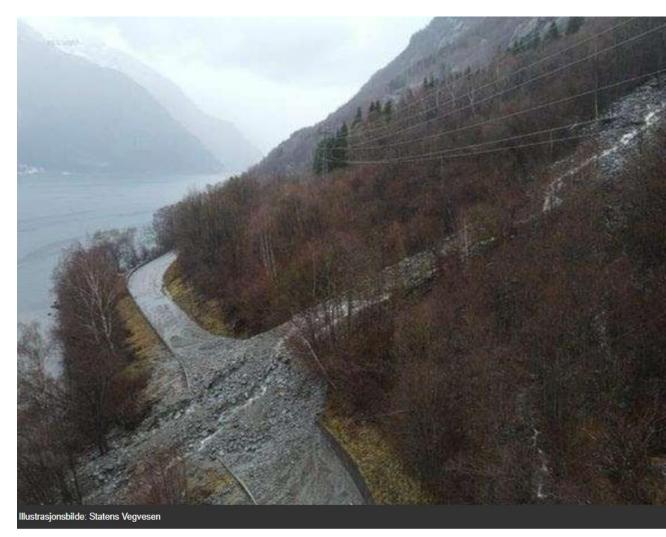
Kommende tiltak

- Djupevik Kviturtunnelen (Ras/fremkommelighet)
- Kyrkjenes Berget ved Kinsarvik (fremkommelighet)
- Osgjelet ved Vinje (Ras)
- Aurskreda/Midtskreda ved Odda (Ras)
- Freim-Djupevik ved Odda (Fremkommelighet)
- Skarvabjørg nord for Tyssedal (Ras)
- Oddadalen



How to prioritize natura hazard mitigations

- We have extensive experience with costbenefit analyses for new road stretches
- Less experience to natura hazard mitigation
- So we startet cooperation with **The**Institute of Transport Economics (**TØI**)





What we want to achieve

- More realistic calculations on the benefit side
- Be able to assess different project alternatives against each other
- Be able to assess different projects against each other in a portfolio
- Include welfare benefits related to reduced landslide risk



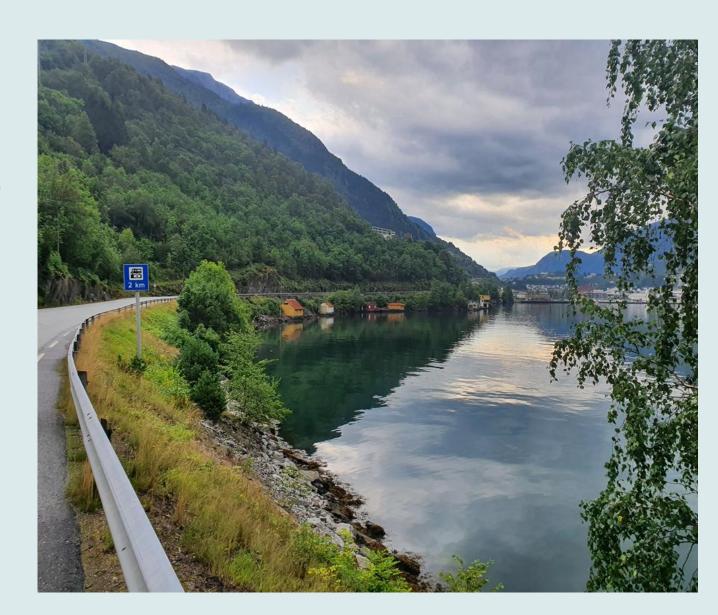
Case Sandvinvatnet

- From 0 m 1450 m
- Deep lake at the bottom
- Little space for significant improvment between water and mountain



Probability of personal injury incidents

What are reasonable default values for severity and accident probability related to landslides?

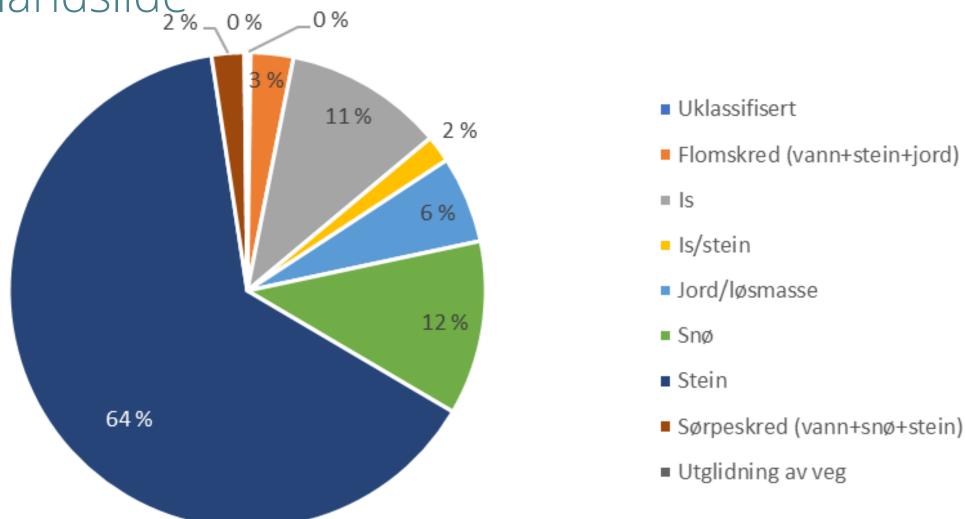


Probability of personal injury incidents

- More than 53,000 landslides hitting road infrastructure (2000-2023)
- A total of 674 (1,2%) incidents of damage to vehicles due to landslides
- Of the cases of damage to vehicles, 62 cases of bodily injury have been identified
- Probability of bodily injury incidents due to avalanches on roads is relatively low, with less than 3 cases per year on average
- Of the 62 cases of bodily injury, it resulted in a total of 18 deaths and 2 seriously injured

With the recommended valuation of life and health for use in cost-benefit analysis, we find an
expected accident cost of NOK 11-21 million (2020-NOK) per bodily injury case

Landslides on roads for the period 2000-2023 by type of landslide



Willingness to pay for reducing frequency and volume of landslides

- Nye Veier took the initiative to include the benefits of reducing perceived insecurity experienced by road users when driving along roads with a high risk of landslides
- Nye Veier AS believes there is potential value in improving landslide-prone stretches, especially on Rv. 13
- A study conducted in 2022 (Menon 2022) explored how welfare gains related to landslide risk reduction could be included in socio-economic analyses of improvement measures
- The study revealed significant socio-economic benefits associated with reducing or eliminating landslide risk on road stretches.

Willingness to pay for reducing frequency and volume of landslides

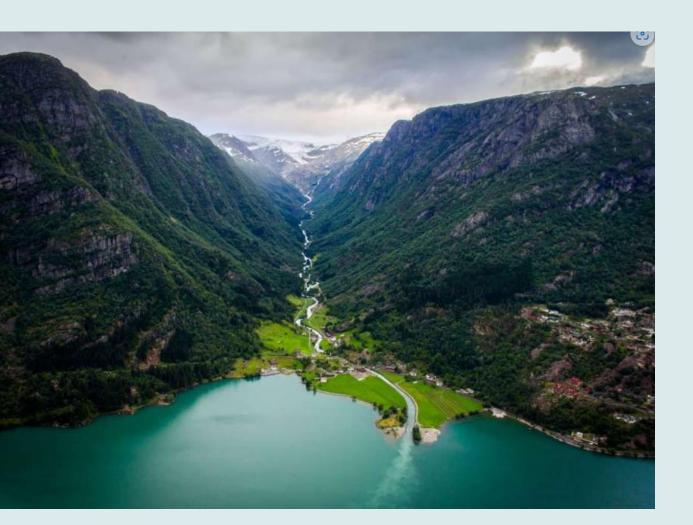
- Nye Veier continues to incorporate these benefits into our socio-economic analyses for prioritization
- We recognize the positive impact and believe it should be factored in when assessing the cost-effectiveness of our measures
- This work is conducted in close collaboration with both Sintef and the Institute of
 Transport Economics, ensuring that our models are robust enough to actively apply
 this approach to National Road 13 and other improvement projects



Willingness to pay

 To what extent does the previously recommended (marginal) default value for reducing avalanche frequency/size on roads (often referred to as "discomfort avalanche risk" at 5 NOK per trip per person) seem reasonable? Input is sought regarding potential adjustments to default values or how analysts can adapt them for local conditions.

• 1 CAD = 8 NOK



Willingness to pay

- TØI propose an expansion from the fixed values per stretch of landslide-prone road
- The recommend simple linear functions: NOK
 3.70 per landslide hitting the infrastructure per year, and NOK 0.13 per metre avalanche width hitting the infrastructure on average (2019-NOK)

• 1 CAD = 8 NOK

Recommendations from The Institute of Transport Economics

- By implementing the recommended parameter values in calculating accident costs and "residual willingness to pay for reduced landslide risk", as a function of expected landslide frequency and width, we believe that the CBAs will achieve more realistic calculations on the benefit side.
- This will in turn provide a better basis for decisionmaking when evaluating different project alternatives against each other, and different projects against each other in a portfolio



<u>Publikasjoner - Transportøkonomisk institutt (toi.no)</u>





Skredfare i samfunnsøkonomiske analyser

Personskaderisiko og verdsetting av skredfrekvens og skredstørrelse

Paal Brevik Wangsness, Knut Veisten, Rune Elvik

2027/2024

Landslide factor model vs CBA

- TØI sees the possibility of translating the input in the prioritization factors that are often used in planning contexts into valuations of landslide measures.
- This could enable a nationwide overview of the benefits of reducing the risk of landslides on avalanche-prone road sections to zero.



NyeVeier