



The Committee for the Transalpine: General Assembly

Date 4 June 2019

Lyon

Scene setter

The Committee for the Transalpine:

- It facilitates the realisation of the rail link (freight and passengers Lyon-Turin).
- It was created in 1991 and it consists of the main political and economic actors of Rhône-Alpes and Piedmont regions.
- The Committee for the transalpine aims today to carry out any action to facilitate or accelerate the realization of the high capacity rail link capacity freight and passenger Lyon-Turin, central link of the corridor Mediterranean, the only axis oriented East-West, linking 20 of the major European agglomerations.
- It is a recognized Association of general interest. Its purpose is to carry out any action to facilitate or accelerate the realization of the high capacity rail link for passengers and goods, between Lyon and Turin,
- Since 2016, the Committee is chaired by Jacques GOUNON, CEO of the Group GetLink (ex Eurotunnel) – you will meet him at the breakfast working meeting.

Elements or speech for your interventions in various contexts.

1. A short video recording for the Transalpine Committee.

Courtes capsules vidéo de J. GOUNON + I. RADICOVA + P. BALAZS + élus (par le journaliste Transalpine)

- Question à Iveta RADICOVA : « *Pourquoi et comment l'UE soutient le Lyon-Turin ?* »

Question: Why and how the European Union support the Lyon-Turin link?

- The European Commission fully supports the Lyon-Turin project. It is the key missing link on the Mediterranean Corridor and one of the key sections on the trans-European transport network.
- It is situated in environmentally sensitive area (The Alpes) and in close proximity with others crucial TEN-T Corridors such as North Sea-Mediterranean, Rhine-Alpine, and the Atlantic.
- There is a strong potential for the development of international rail traffic (passengers and freight) on the Mediterranean Corridor. It cannot be achieved, if we do not complete the Lyon-Torino project.
- The base tunnel will allow modal shift for freight, bringing an expected one million trucks from road to rail. This will be key for contributing to fight climate change in the very sensitive Alpine valleys.
- The base tunnel will also allow to really inter-connecting the high-speed networks of France and Italy. Again, this will allow shifting from air transport to rail transport. The base tunnel is already under construction. The historical tunnel, which is which is 150 year old cannot be an alternative.

- The European Union contributes to the project since the very beginning. In the past many studies were supported equalling to around € 400 million. In the current financial perspective the European Commission supported the ongoing phase of works with a grant from the Connecting Europe Facility of € 813 million, making the Lyon-Turin one of the most important great infrastructural project in Europe that is do decisively support from the EU budget.
- It is also important to mention that in the next financial perspective, CEF II applicable for the period 2021-2027 foresees a co-financing of 50% for cross-border projects, which I believe, can be very positive for projects like Lyon-Turin.
- In addition, the Parliament and the Council have agreed on a further 5 % top-up for projects that will be implemented by integrated cross-border entities (for instance TELT).
- For a project of EUR 8.6 bn all these tops ups can make significant difference and actually prove how much Europe is contributing and supporting this strategic investment.

2. Allocution de clôture de Mme Iveta RADICOVA, Coordinatrice du Corridor Méditerranéen (15 min)

- Synthèse des propos échangés pendant la table ronde : les transports et l'intermodalité sont un des socles de l'action de l'UE (RTE-T : croissance, emploi, décarbonations)
- Focus sur le Corridor Med : les grands enjeux liés à sa structuration
- Le Lyon-Turin : maillon central et manquant du Corridor Med. Pourquoi le Lyon-Turin est stratégique et prioritaire pour l'UE ? Quels sont les engagements de l'UE sur le projet ? Que pouvons-nous envisager : passage de 40 à 50 % sur le tunnel (comme pour tous les projets transfrontaliers) au titre du MIE ? Possibilité d'un co-financement des accès par l'UE à même hauteur que le tunnel dans le cadre du MIE ?

You will be asked to summarise the discussion and relate it to objectives/challenges faced in the context of the Mediterranean Corridor.

Elements on TEN-T (general) – for your consideration, in order to respond ...

- Efficient mobility services and as good as possible connectivity are the prerequisites for almost all other economic sectors to function, to enable social exchanges, tourism, and competitiveness both at regional and at private firms level.
- If we look from the EU perspective, transport ensures the flow of goods from more than 11 million EU industries to their final consumers. It enables the smooth functioning of international trade.
- Through the TEN-T policy, the EU aims at achieving an efficient transport network to:
 1. *Complete the EU internal market, by creating missing links and removing bottlenecks.*
 2. *Shape mobility, by reducing congestion, offering alternative routes on a more sustainable basis to operators and passengers.*

3. *Establish a well-functioning internal market.*

- Today, while referring to a particular issue of connectivity between Lyon and Turin, you highlighted the major objectives of the TEN-T policy.
- A need to build safe, modern, environmentally friendly infrastructure that is open in non-discriminatory way to both passengers and logistic operators.
- Transport infrastructure that is built in line with agreed European parameters that links important regions in Europe but also contributes to the overall connectivity along TEN-T Corridors.
- Transport infrastructure that opens up for new and alternative sources of fuel that are cleaner, economically viable making our continent less congested, low-emitting and as much as possible decarbonised.

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- I do not need to convince you how important this link is for the Mediterranean Corridor. In fact, this is one of the most obvious missing links on the European Transport policy map, situated in environmentally sensitive area (The Alps) and in close proximity with others crucial TEN-T Corridors such as North Sea-Mediterranean, Rhine-Alpine, and the Atlantic.

- The new railway link Lyon-Turin is one of the key cross-border infrastructure projects on the TEN-T and has from the outset been supported by the EU. It is one of the pre-identified sections in Annex 1 of the current CEF Regulation.
- I am fully convinced that once the new line is realised, it would become the main border crossing point for traffic flows between not only France and Italy, but far beyond, connecting the Iberian Peninsula to the eastern part of the continent.
- The Lyon-Turin rail link is an emblematic, truly European and long-awaited project.
- 216 million tons of freight crossed the Alps in 2017. This record (since 1999) figure meant that 11 million of heavy vehicles crossed so sensitive environmentally area.
- A modal shift towards the most friendly transport mode – **the railway** is quite impressive at the IT-SUISSE border less at the IT-AT border and actually not impressive at all at the **IT-FR border**.
- This has to change and that is why the European Commission is so attached to the project strongly supports the modern, safe, clean Lyon-Turin connection.
- Lastly, I strongly believe that we shall refrain from using the term a “project”. The construction is ongoing with 65 km of test drillings, 25 km of tunnels dug (out of 162 km planned) and 800 people currently working on it.

- In addition, the Parliament and the Council have agreed on a further 5 % top-up for projects that will be implemented by integrated cross-border entities (for instance TELT).
- For an endeavour of EUR 8.6 bn all these tops ups can make significant difference and actually prove how much Europe is contributing and supporting this strategic investment.
- In this context I would also like to mention that the Connecting Europe Facility contributes also to a number of actions indirectly supporting the smooth transport links, in the immediate vicinity of the future train high speed line.
- The European Commission does invest in actions eliminating the Lyon bottleneck, improving capacity and safety of railway connections at this important crossroad for freight and passenger traffic.
- There are also a number of studies ongoing investigating on how to improve the long distance freight traffic along the Mediterranean and North-Sea Mediterranean corridors.
- This brings me to my final point: the access roads to the future tunnel.
- Without a modern and efficient French access roads, it will not be possible to carry out a massive modal shift of the transalpine transport of goods from the road to the rail.

- I understand the complexity behind this issue but it is important that the planning and sequencing of this particular investment is phased in logically in parallel to the construction of the tunnel.
- In this context, I welcome a recent decision by Minister Borne for establishing a working group composed of experts and regional representatives with a view to come up with a number of solutions that would precise the necessary investments that would improve access roads to the future tunnel. This work has to continue and requires a serious planning.
- Overall the Lyon-Turin project can become a benchmark for the development of a modal shift in France and Europe. It will boost the rail freight and move us towards the ecological transition.
- Europe is here to support you!

12H30 : RENCONTRES MEDIAS / COCKTAIL

- L'audience sort de la salle pour aller dans l'espace cocktail
- Les intervenants restent dans la salle d'AG et sont à la disposition des journalistes pour répondre aux demandes d'interview (presse écrite, TV, Radio) > (20 min)

A number of hints answering potential questions below:

1. What are the benefits of the Lyon-Turin projects?

Today, over 4 million trucks travel east-west south of the Alps and there is no reliable and safe rail link allowing to shift major part of road freight transport to rail. Lyon-Turin will offer such possibility, and thereby it will contribute to save nearly 3 million tons of equivalent CO2 emissions, reducing traffic congestion and safety risks on trans-alpine transport. The transport of passengers will also be greatly enhanced. The project will also boost economic growth at local and regional level with the creation of 15,000 direct and indirect jobs for subcontractors, businesses and tourism during the period 2018 - 2029.

Based on the preliminary results of an ongoing study, it is estimated that external costs due to transport (congestion, emissions, accidents, health damage) are equivalent to EUR 1,000bn per year at EU28 level. This shows the urgency and importance to reduce the negative impacts from transport and completion of TEN-T is key for this purpose.

2. What is the estimated cost of the project?

Total costs for the Turin-Lyon tunnel is EUR 8.6 billion (main investments falling under the next MFF). The costs covered by the current CEF financing agreement is about EUR 1.9 billion with a European co-financing of EUR 813.8 million (41%). The global project is to be completed by 2027/30, and the deadline for completion of TEN-T core network is 2030.

3. Is it true that the Commission offered to increase the percentage of EU financing from 40% to 50% for the project?

In its proposal for a "Multiannual Financial Framework" (MFF) 2021-2027, the Commission has proposed a total budget of € 30.6 billion for the transport element of the Connecting Europe Facility (CEF) and to increase the maximum co-financing rate for cross-border projects such as the Lyon-Turin project, from 40% (as in the CEF 2014-2020) to 50%. This is not a specific proposal for the Lyon-Turin project.

This proposal was approved by co-legislator European Parliament and the Council who, additionally agreed on a further 5% top-up for projects that will be implemented by integrated cross-border entities (like TELT, for example).

It remains that this 50% co-funding rate is a maximum rate, which will not be applied in all cases and will depend on the budget available. It is therefore important for such a project to secure all financial means available. The possibility to have access to the maximum EU co-financing rate in the future is also subject to the respect of the commitments taken in previous Grant Agreements.

4. Is it compulsory to complete the project?

The project Lyon-Turin link is an integral part of the Mediterranean Core Network Corridor one of the pillars of the EU TEN-T policy. It will be a challenge for the next financial perspectives to ensure its sustainability and finalization.

The TEN-T Regulation 1315/2013 clearly states that Member States shall take the appropriate measures to develop the core network by 2030; Lyon-Turin is on the Mediterranean corridor, part of the core network, and is also indicated as a key section for funding under CEF 2014-2020.

The project Lyon-Turin is the object of contractual obligations with respect to EU funding (€813m from Connecting Europe Facility) and of international agreements between Italy and France.

5. How about access roads – can they be co-financed from the EU budget.

In principle yes, as they do fall under the definition of “project of common interest” in line with the TEN-T Regulation.

It is key to sequence this investment in coordination between French and Italian authorities and assuring a good phasing in with the ongoing construction of the tunnel.

Your question is also linked to the ongoing discussions on the overall size of the EU budget, in the context of Multiannual Framework Financial negotiations. This would be a key piece of legislation deciding, among other priorities, on the volume of the EU budget dedicated to transport investments – Connecting Europe Facility.

The Commission has proposed EUR 12, 8 billion for the general envelope. If not obtained, there could be a problem with funding. Ministers of finance have to take their responsibilities, anything, which can be done to influence them positively towards transport infrastructure is very much welcome.

6. Would access roads be treated as a project of cross-border cooperation, thus eligible for 50 % of co-financing?

Yes, if submitted jointly by FR and IT authorities. In line with the TEN-T Regulation “cross border section means the section with ensures the continuity of a project of common interest between the nearest urban nodes on both sides of the border of two Member States.

I encourage the IT authorities, together with the French authorities to come and discuss with the Commission especially as regards the access routes.

7. How long Europe was involved in the project.

Quite a long time, already in 1994 when the first studies and preliminary works were undertaken.

The most significant commitment though comes after the Paris Treaty of 2015, which decided on the global project. Its first phase is supported by the CEF grant.

8. Is the project well-planned

Yes, the current configuration of the cross-border section in Italy was defined after 205 meetings of the Technical Observatory, around 300 hearings in which 11 alternative routes were studied. The consultation process involved several administrative bodies, regional and local populations.

9. How about road heavy vehicles traffic on the FR/IT Alpine border

According to the Committee for the Transalpine the heavy vehicles road traffic has been steadily increasing in the past years.

- “In 2018 the Fréjus road tunnel recorded the passage of 786 285 heavy goods vehicles (+ 7.2% in comparison to 2017).
- With 648 810 heavy goods vehicles, the increase is 4.4% at the Mont-Blanc tunnel“.

This represents 80 416 heavy good vehicles extra in comparison to 2017 (an average of 220 additional vehicles per day). Since 2013, the increase in heavy good vehicles traffic is

more than 18% on the two road tunnels, which translates into around 223 000 additional vehicles in five years.

10. What is the EU financial contribution prior to 2015 CEF funding?

Between 2003 and 2008, a number of projects were financed covering various preparatory activities related to Lyon-Turin high-speed train project. These included:

- Feasibility studies for the construction of the tunnel
- Technical studies on access routes
- Pre-design studied for the overall construction.
- Geological investigations
- Other preparatory works.

In terms of EU financing around:

- France received € 190 million
- Italy received € 206 million.

11. CEF GRANT

The existing CEF grant agreement (GA), signed in November 2015, and covers the actions from 1 January 2014 to 31 December 2019 (eligibility).

EU Grant equals to € 813,781,900 and total value of the project is € 1,915,054,750.

The action is behind the schedule by about 24 months and will definitely require extension.

Launch of public procurements (contracts of high financial magnitude) is a prerequisite for an assumption that this project will be implemented in line with the GA and its legal parameters allowing for defined maximum extension.

12. The project is agreed and embedded in the context of FR/IT bilateral cooperation

This project has a long history. It fits in the context of regular bilateral FR/IT summits. Already in 1990 during the Nice Summit this issue was discussed - when the first agreement was reached between two countries to launch a study concerning the subject of a new rail connection.

Four international treaties regulate the construction of the tunnel:

- 1996 Paris Treaty where an Intergovernmental Committee was set up to define the technical characteristics of the work.
- 2001 Turin Treaty, which established LTF (Lyon Turin Ferroviaire), a bi-national promoter charged with conducting studies and preparatory works.
- 2012 Rome Treaty, which established the Public Promoter for Managing the Works
- 2015 Paris Treaty, which gave permission to proceed to the main construction work. The Parliament of Italy and France between the end of 2016 and the beginning of 2017 ratified this Treaty.

13. What is the Commission position on the new Cost-Benefit Analysis presented by the Italian Government?

The new study by the Italian authorities was presented on 14 February 2019 in an informative technical meeting between Commission officials and officials of the Italian Government. We have no comments regarding its content.

DATE 27 May 2019.