



PROGRESS REPORT  
ON  
**PRIORITY PROJECT № 6**  
**LYON-TURIN-MILAN-TRIESTE/KOPER-LJUBLJANA-BUDAPEST**

**19 July 2007**

**Brussels**

*The views expressed in this report do not  
represent the European Commission's official position*

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## **Contents**

	Page
<b>1. Introduction</b>	<b>3</b>
<b>2. A considerable undertaking</b>	<b>3</b>
2.1 Configuration of the project	3
2.2 Objectives	4
<b>3. Situation analysis</b>	<b>4</b>
3.1 Lyon-Turin section	5
3.2 Setting up the Val Susa “observatory”	6
3.3 The Commission’s contribution to the observatory	8
3.4 Enhancing the use of the “historic” line	9
3.5 Turin-Milan-Trieste section	11
3.6 Trieste-Ljubljana-Budapest section	12
<b>4. The financial set-up: needs more thought</b>	<b>13</b>
<b>5. Conclusions and recommendations</b>	<b>14</b>
<b>Annexes:</b>	
1. <b>Provisional work programme</b>	
2. <b>Priority project No 6 progress map</b>	
3. <b>Letter from coordinator Mr Karel Vinck to Val Susa Observatory chairman Mr Virano</b>	
4. <b>Conclusions of COWI report</b>	

## **1. INTRODUCTION**

This report was to have been submitted to the Commission by the European coordinator in charge of the “**Lyon-Turin-Milan-Venice-Trieste/Koper-Ljubljana-Budapest**” priority corridor (**PP6**), Mrs Loyola de Palacio. Owing to her unfortunate death in December 2006 and the fact that the appointment of her replacement Mr Laurens Jan Brinkhorst was only made official on 5 July 2007<sup>1</sup>, the content of the report cannot be endorsed by any of the successive European coordinators that have been in office since the publication of the 2006 annual report. Moreover, although essentially factual, this second report will identify issues for the new coordinator to examine further as regards the main action priorities.

A certain amount of progress, due partly to Mrs de Palacio’s work (see 2006 annual report), has nevertheless been made, making it possible to move ahead with implementation of PP6. In addition, despite the particular conditions, follow-up throughout the corridor, especially the monitoring of the progress of the various subprojects, has continued normally. There have also been a number of in-situ inspections of the state of the infrastructure and the progress of planning along the whole corridor. In this context, the administrations in charge of implementing the project have had the benefit of technical support from DG TREN and/or support on certain specific aspects from other European coordinators.

As regards the immediate future, the new coordinator Mr Laurens Jan Brinkhorst undertook, as soon as he was appointed, a journey that took him to France, Italy and Slovenia during which he was able to meet the various stakeholders.

A new detailed web programme for the development of PP6, comprising short and medium term objectives, is thus due to be submitted by Mr Brinkhorst in the next few months to the Commission, the European Parliament and the Member States affected by the project.

## **2. A CONSIDERABLE UNDERTAKING**

### **2.1 Configuration of the project**

Without going into a comprehensive description of the project (which appears in the 2006 annual report), it is nevertheless appropriate to mention that Mrs de Palacio wished to make the project easier to understand by dividing it into four distinct sections:

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<sup>1</sup> Decision No (C) 3190 of 5 July 2007.

- **Lyon-Turin**, including in particular the Franco-Italian crossborder section;
- **Turin-Trieste**, a primarily national section, although obviously essential for the continuity of the project;
- **Trieste-Ljubljana**, including the Italo-Slovenian crossborder section;
- **Ljubljana-Budapest**, linking the Slovenian and Hungarian networks.

This report thus reflects the state of the project on the ground at 1 July 2007, based on the information that it has been possible to gather, with a view to highlighting the progress made over this period, the objectives still to be achieved and the outstanding problems to be tackled by the new coordinator.

The portions of the project that had the greatest amount of attention between July 2006 and July 2007 are **Lyon-Turin** and **Trieste-Ljubljana**. They are also the two sections with the greatest concentration of technical, financial and political difficulties. This does not mean that the sections of the project situated east of Ljubljana are any less important than the rest of the corridor.

In a context of developing land connections between the EU, eastern Europe and Asia, PP6 might serve as an important link between the trans-European and Ukrainian rail networks (or even beyond). This as yet little considered aspect deserves more detailed analysis.

## 2.2 Objectives

The four main objectives set by Mrs de Palacio for the period 2006-2007 were as follows:

- To arrive at a precise timetable and obtain guarantees of funding from the competent authorities for the various sections of the corridor, particularly the crossborder sections and the access links;
- To analyse the degree of consistency in policy and planning;
- To help to find a solution to the difficulties facing the project in the Val Susa, with a view to prompt resumption of progress;
- To help to gain approval from the Slovenian and Italian authorities for joint planning of the Italo-Slovenian crossborder section;

## 3. STATE OF PLAY

The period between the first and second annual reports saw substantial progress on the main corridor<sup>2</sup>, with the pace picking up due partly, no doubt, to the cut-off date for

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<sup>2</sup> Even if probably less visible than on other priority routes.

submitting requests for support under the 2007-2013 RTE-Transport budget<sup>3</sup>. It would be wrong to think, however, that the sole motivation of the countries concerned was to gain a Community subsidy. The importance of this west-east corridor (the only one south of the Alps), not only for economic growth but also as a means of helping to shift the balance between transport modes, is now widely accepted. The challenges arising from global warming are becoming increasingly important in the policies adopted by the governments of the countries in the Alpine region, a sensitive zone *par excellence*. Awareness of the importance of what is involved should now result in real changes in mobility policy in the Alps, with a view to ensuring the free movement of goods and persons, but also minimising the impact on a particularly vulnerable national environment. Such new approaches, which are still being reflected upon, cannot be implemented unilaterally. To be effective, they will need to be better coordinated between all the States concerned<sup>4</sup> and it will be incumbent upon, among others, the coordinator to facilitate their implementation.

### 3.1 Lyon-Turin section

This section saw an eventful year. As well as the steps taken by the Italian government with a view to solving the problems in the Val Susa (see section 3.2), there was the important decision by the French transport minister (Mr Preen) concerning the creation of the access links on the French side to the base tunnel.

The approach adopted is a phasing of access links, with priority for creating the new line between **Lyon (St Exupéry)** and **Chambéry**<sup>5</sup>, several parts of which will be mixed in the sense of being usable by both high-speed trains and freight trains. The cost of this section amounts to **€4 400 million**<sup>6</sup>. The Rhône-Alpes Region has undertaken, under a

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<sup>3</sup> Set at 20 July 2007.

<sup>4</sup> Three of the four MS affected by PP6 (FR, IT, SLO) are parties to the Alpine Convention, the purpose of which is to safeguard the natural ecosystem and help to promote sustainable development of the Alps by protecting the economic and cultural interests of local populations and signatory countries.

<sup>5</sup> This first phase also includes the Chartreuse tunnel (freight only) to bypass Chambéry. A detailed map of the project is available at: [http://www.transports.equipement.gouv.fr/IMG/jpg/Carte\\_lyon\\_turin\\_cle1571e2.jpg](http://www.transports.equipement.gouv.fr/IMG/jpg/Carte_lyon_turin_cle1571e2.jpg)

<sup>6</sup> January 2007 figure. The French minister of transport appointed in February 2007 a general inspector of bridges and highways to work with local authorities on preparing the financial set-up of the project.

funding protocol signed with central government on 19 March last<sup>7</sup>, to contribute **€1 000 million** to this first phase of the project. The section concerned is due for completion in time for the commissioning of the base tunnel (about 2020). The line's capacity would be of the order of **20 million tonnes** per annum on this route, which in combination with the line via Ambérieu and the Lac du Bourget would make the capacity of the access links nearly **30 million tonnes** per annum. The preliminary design studies are scheduled for the period 2007-2013 and the construction of the new infrastructure might begin about 2013. The Chambéry – St Jean de Maurienne section (which includes the Belledonne tunnel) is scheduled for a second stage.

**The French government's position meets the expectations expressed by Mrs de Palacio in 2006 in that there is now a well-identified project and an implementation timetable compatible with that of the crossborder section.**

On the **joint Franco-Italian section** (St Jean de Maurienne to the Bussoleno/Bruzolo area) the construction of the St Martin, La Praz and Modane inclines, all on French territory, has continued on schedule<sup>8</sup>. **At 1 July 2007 the total length excavated amounted to more than 6 380 out of the eventual 8 850 metres.** The Modane incline (about 4 000 m long) will be completed by the end of September 2007, **nearly 10 months ahead of schedule**. On the Italian part of this section, the situation in the Val Susa and the moratorium on the work imposed by the government pending the observatory's conclusions has resulted in no activity apart from continuing design work and the contribution of LTF and RFI to the observatory's activities.

Although the Mont Cenis tunnel situated on the historic (existing) Lyon-Turin line is not part of the project, it should be noted that work on implementing the B+ loading gauge is in progress and should be completed within little more than a year (the Italian side has been completed, work is continuing on the French side). The resulting modernised infrastructure should make it possible to run new services from 2009, particularly an upgraded version of the “rolling motorway” (see section 3.4).

### **3.2 Setting up the Val Susa “observatory”**

In the previous report, Mrs de Palacio ad emphasised the delicate situation in the Val Susa and its potential impact on the project timetable. On 21 June 2006, during her last journey as the coordinator, she had a meeting with the Italian prime minister Mr Prodi to convey to him her concern about this issue and the need to find a way to resume dialogue

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<sup>7</sup> Protocol of understanding to carry out the first phase of the access links to the international tunnel on new Lyon-Turin rail link and the links between Lyon and the Alpine corridor.

<sup>8</sup> In 2006, under the RTE-T budget, the Commission allocated support of €20 million for continuing the design work and constructing these downgrades.

between the various stakeholders. One of the opponents' main complaints was that current legislation (Italian Law No 441/2001, known as the "*Legge Obiettivo*") does not require environmental impact assessments (EIAs) for exploratory tunnels.

On 29 June 2006, at the second meeting of the "*Tavolo Istituzionale de Palazzo Chigi*"<sup>9</sup> involving the various stakeholders (government and ministers on the one side, and opponents represented by the mayors of the municipalities concerned on the other), Mr Prodi, on a proposal from the infrastructure minister Mr di Pietro, as a pledge of the government's goodwill, decided to withdraw the project from the list of those covered by the "*Legge Obiettivo*". The project is now governed by the so-called "*Merloni*" Act which provides for an EIA procedure concerning the final project and greater involvement of the local population in the decision-making phase.

On 4 July 2006, Mr Mario Virano was confirmed as head of the "Observatory for the Turin-Lyon rail link" (hereinafter the "observatory"), an entity set up by the previous government with a view to facilitating dialogue. The observatory began its task on 12 December 2006. Composed of experts from the administrations concerned (national, regional and local), infrastructure managers, LTF and representatives of the Lyon-Turin CIG (intergovernmental Commission), the observatory has since met every week without exception. By the end of June 2007 there had been 29 meetings.

This *démarche* by the Italian government is useful and might result in profound changes in the planning of major infrastructures in Italy, not only by associating more closely with the decisions those who will have to put up with the effects of creating a new infrastructure (i.e. the local population) but also by enabling the dissemination of more precise information about the project. This is the role that the observatory has now been playing for nearly eight months, and the results clearly show the usefulness of this structure. The observatory's success in a situation where institutional communication arrangements on the Italian side had failed shows that those arrangements had not been suited to coping with the challenges of this project and had very adversely affected the understanding and acceptance of the project by the local population. The great care taken to inform and consult the local population on the French side from the very beginning of the project (care that is part of the inspiration for the observatory) resulted in the public utility enquiry concerning the section of the base tunnels situated in France running very smoothly between May and June 2006: the remaining sticking points are confined to project detail modifications<sup>10</sup>.

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<sup>9</sup> Translatable as the "Palazzo Chigi institutional working group".

<sup>10</sup> The matter was referred to the Council of State on 30 March and the Declaration of Public Utility (DUP) of the French portion of the base tunnel might in principle be delivered by the end of the year.

*Although such administrative procedures are a matter for national sovereignty (and without ignoring their particularities), it might be desirable to consider the possibility of enabling the local populations affected by a crossborder project to have the benefit of the same level of information on both sides of the border.*

Another significant form of progress, due in large part to the observatory, pertains to a change in how the project is viewed. It was long portrayed as part of a policy of major works and was not well received by a substantial proportion of the population who were liable to have to bear adverse effects from the construction of the infrastructure, without the benefits that might arise from it being clearly explained. The observatory's work has repositioned the project at the heart of a new policy of mobility in the Alps that would prioritise the use of less polluting means of transport. In this context, setting up the infrastructure is not an end in itself but an element in a broader context (pricing, logistic organisation, development of multimodal platforms etc.) that has not yet been fully worked out. This new vision is on the same lines as the coordinator's recommendations in the 2006 report. Mrs de Palacio wanted "*to organise broad thinking about the future of transport across the Alps, taking into account such aspects as modal rebalancing, respect for the environment, safety and the transport consequences of the medium to long term rising cost and increasing shortage of fossil energy*". **That recommendation still applies.**

This new political line, to which the observatory's work has greatly contributed by fostering, above all, dialogue, resulted at the *Tavolo Istituzionale de Palazzo Chigi* meeting on 13 June 2007<sup>11</sup> in a number of Italian government proposals that should help to free up the situation in the Val Susa, especially the following:

- dropping the tunnel exit at **Venaus** in the Val Susa (to be relocated further south);
- dropping the run through the **Val Cenischia**, of which would entail serious environmental integration problems;
- the wish to **implement the project in parallel with an ambitious modal rebalancing policy** in the Alps in favour of more sustainable modes, e.g. rail. The Italian government announced at the same meeting its forthcoming ratification of the transport section of the Alpine Convention.

On 28 June 2007, the Italian government also adopted the "**DPEF**" (Economic and Financial Planning Document), i.e. the financial programming for 2008-2011. This provides for **€5.3 billion being allocated for the Italian portion of the Lyon-Turin section** (about two-thirds of the financial requirement payable by Italy on this part of PP6). This represents a strong commitment by the government, meeting the coordinator's and the Commission's expectations, but has yet to be confirmed by a legislative process.

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<sup>11</sup> Government, administrations and representatives of the municipalities in the Val Susa and the Val Sangone.

Finally, the question of routing from the tunnel exit to Turin and the possibility of passing also through another valley (Val Sangone) has yet to be settled. The Italian government has instructed the observatory to submit proposals on this.

***Summing up:** the creation of the observatory has helped to provide specific responses to the expectations of people living in the Val Susa. This is in line with the wishes expressed by Mrs de Palacio in the 2006 report. An essential result is that resumed dialogue is possible between the various players. It is too soon to be sure that the Italian government has fully achieved its objective, but there is no doubt that this démarche establishing dialogue and serious thinking about the project has alleviated some of the difficulties concerning the Lyon-Turin section.*

*There is nevertheless further work for the observatory in that the issues of the access links on the Italian side has yet to be settled, which is at least as important as the aspects referred to above. Moreover, the new choices arising from the observatory's work and ratified by the Italian government have yet to be reflected in terms of the costs and timing of implementation and will have to be feasible on the ground.*

### **3.3 The Commission's contribution to the observatory**

The observatory has set itself the task of responding to the various issues that remain outstanding and particularly worry the population of the Val Susa. Two topics dealt with in the first half of 2007 were the capacity of the historic line and the various traffic growth scenarios within the Alpine arc.

The Commission's contribution<sup>12</sup> on these two issues took the form of:

- the participation in the observatory's work of the European coordinator<sup>13</sup> Mr Karel Vinck in charge of implementing the ERTMS and the trans-European freight corridors. His contribution with regard to the capacity of the historic line was to provide background information based on his personal experience as former chairman of Belgian Railways (SNCB).

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<sup>12</sup> All the documents and contributions have been passed on to observatory. They are reproduced in full or summarised in the observatory's first two publications early in July 2007.

<sup>13</sup> He participated in the meeting on 12 January 2007 and supplemented his presentation by a letter of 30 January 2007 to the observatory's chairman (appended hereto).

- a study<sup>14</sup> (under the DG TREN framework contract) on future traffic flow trends throughout the Alpine arc. The initial intention of this study was to respond to Mr Prodi's request to Mrs de Palacio in June 2006 for a comprehensive picture of present and future traffic flows. The main results of the study, available in full on the DG TREN website, are as follows<sup>15</sup>:

The study shows clearly that, failing any new infrastructure between France and Italy, the western part of the Alps will inevitably be subject to endemic congestion within 15 to 20 years. Saturation of the existing rail and road links, including the Ventimiglia crossing, is expected by 2027-2028, at a total of nearly 284 million tonnes . The transport situation in that part of the Alps may thus become critical, particularly in terms of the environment, the quality of life of the local population and also in terms of the competitiveness not only of the regions concerned but also the countries (e.g. Spain) which use this corridor for their trade and for which routes through Switzerland and the Brenner are not possible alternatives.

The virtual impossibility, even by modernisation of the existing Lyon-Turin line, of exceeding an **operational** capacity of 17 to 18 million tonnes per annum, the moratorium (under the Alpine Convention) on creating new road infrastructures, the limits of the existing infrastructures (particularly as regards safety) and the wish expressed both at European level by France and Italy to foster a policy of modal rebalancing all militate in favour of setting up a new large-capacity link (freight and passengers) between Lyon and Turin.

All of these contributions are reproduced in full or summarised in the observatory's publications.

### 3.4 Enhancing the use of the “historic” line

In the 2006 report, the coordinator recommended the adoption “*as of now and in a coordinated manner of measures for increasing the attractiveness of long-distance freight transport*”, starting with improvement of services on the crossborder corridor between Lyon and Turin. In response, an in-situ examination of the “historic” line was carried out in autumn 2006. **Cooperation between the rail operators seems to be far from optimum, which substantially affects the service quality and competitiveness of rail against road in this corridor.** Three aspects might easily be improved by better

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<sup>14</sup> Estimated potential freight traffic across the Alps: Specific case of the new France-Italy trans-Alpine rail link, by COWI (12/2006) Framework Contract TREN/CC/03-2005 Lot 2: Economic assistance activities. The presentation by the consultants took place on 13 March 2007.

<sup>15</sup> The study's conclusions are also appended hereto.

coordination between the line's operators and infrastructure managers without involving substantial investment:

**(1) Common definition of priorities for each type of train**, which should make line management more uniform and hence facilitate **(2) joint management of freight slots on the route from the Lyon region to Turin**. This aspect is fundamental in preventing a train arriving at the Modane border station being held up for a more or less long period for want of a corresponding slot on the network ahead. **With regard to interoperability (3), more effort might be made to identify and run jointly a pool of interoperable locomotives** with a view to making the service more efficient (and also more profitable).

It should also be noted that, unlike other crossborder trans-European routes (e.g. the Brenner), the Lyon-Turin run has not yet attracted the attention of other operators (particularly private ones) that might by a different commercial policy and different operating methods boost rail's competitiveness.

*Although the issue of the historic line is not directly related to creating PP6, more rational and more efficient use of it might have a considerable impact in terms of rail traffic growth in this corridor. That would provide the new Lyon-Turin trans-Alpine link, right from commissioning, with a substantial potential market, the growth of which might be stimulated by the significant capacity increase due to its commissioning.*

### 3.5 Turin-Milan-Trieste section

The Venice-Padua and Milan-Treviglio parts of the new line were commissioned respectively in February and April 2007<sup>16</sup> and work is continuing on the Novara-Milan high-capacity high-speed line (due for commissioning in 2009). With regard to the other sections, viz. Treviglio-Brescia and Brescia-Verona, a ministry of transport decree of February 2007 revoked the contracts dating from the early 1990s and replaced them by amicable agreement procedures (before the enactment of the public contracts Directive) with a view to issuing international tender invitations and expecting a lower project cost. At the beginning of July 2007, the situation remains rather confused despite the Italian government's assurances about the financial cover for these remaining sections.

*The sections concerned are primarily of national importance, but the coordinator must see to it that their implementation timetable is compatible with that for the rest of the corridor, with a view to ensuring infrastructure continuity on a portion of the Italian network that is among the most heavily laden in terms of traffic. A close eye also needs*

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<sup>16</sup> Commissioning these sections has reduced Milan/Venice travel time by 23 minutes.

*to be kept on the development of the Verona-Padua section (its implementation in the medium to short term is uncertain).*

### 3.6 Trieste-Ljubljana-Budapest section

Two aspects require consideration: the future of the crossborder section between Trieste and Divača and the development of the rest of the route from Divača to the Hungarian border.

On the first of these, the preparatory work for the sections between Trieste and Divača and Koper and Divača speeded up in 2006 and 2007. At practical level, the feasibility study on this section, co-funded through INTERREG, is underway and has not only to provide by the end of 2008 better knowledge of the economic parameters but also examine the environmental integration problems of the new infrastructure. At political level, the Italian infrastructure minister Mr di Pietro and his Slovenian counterpart Mr Božič concluded in June 2007 an agreement about the crossborder section between Trieste and Divača. A “protocol of agreement” on implementing this section was signed on 17 July 2007, with work scheduled to begin about 2013.

In addition, an Italo-Slovenian intergovernmental commission (IGC) will be set up by the end of the year, in line with Mrs de Palacio’s wish for better coordination between administrations along the whole route with a view to preventing “*problems of divergence of timetable or of choice of infrastructure type*”.

With regard to the second aspect, the Slovenian authorities presented in autumn 2006 an overall programme for modernising their rail infrastructure<sup>17</sup>. It is very ambitious and entails investing between 2007 and 2023 more than €8 billion on PP6 alone<sup>18</sup>. The intended first stage is modernisation of the existing Koper-Divača line, at the same time as building a new line between the two places. The construction work should be completed in 2015. The Cohesion Fund will contribute to the construction of these lines. The question of funding the rest of the priority corridor (Italo-Slovene crossborder section and Divača to Hungarian border) has yet to be clarified. The Cohesion Fund provides for less than €450 million for rail infrastructures in Slovenia over the period 2007-2013, i.e. about 5% of the financial requirement for PP6 alone in Slovenia, to which may be added funding under the RTE budget, but this remains very inadequate relative to

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<sup>17</sup> Preparation and construction timing of main railway lines in direction of pan-European corridors V and X in the Republic of Slovenia, Ljubljana, November 2006.

<sup>18</sup> For want of precise information, the 2006 report estimated the investment at “only” €3 billion.

the total needed (see also next section). **It is nevertheless essential to ensure continuity of the corridor, otherwise the investments in the crossborder sections will be of only marginal value.**

This context calls for detailed analysis of the financial set-up for these sections.

As regards Hungary, it appears that the PP6 modernisation work on Hungarian territory should be completed by 2013. However, the Hungarian authorities consider that the present route of PP6 from the Slovenian border is not the most appropriate. They seem to prefer deviating from the present PP6 route, which runs further north via Miskolc. Hungary's priority is to modernise the line from the border to Budapest via Debrecen. It will be important in this context to check that what Hungary wants within the scope of the 2007-2013 programming conforms to the 2004 general policy decisions.

#### **4 THE FINANCIAL SET-UP: NEEDS MORE THOUGHT**

The funding of the priority corridor here concerned (total cost more than 40 billion current euros) is undoubtedly one of the trickiest outstanding issues: this **applies in particular to the crossborder sections and their access links but also to certain sections of primarily national interest.** Such a funding requirement makes it virtually inevitable to have to consider supplementing national funding by other sources (as already suggested in the 2006 report). The **PPP (public-private partnership)** option continues to be favoured, even if applying such a mechanism is no easy matter in such a complex project. In this context, the legal status of the project promoter responsible for the design, funding and implementation of the crossborder sections of this priority corridor also requires examination. The crossborder section for which LTF is currently responsible is already being considered in this respect. Within the scope of the Lyon-Turin CIG, in particular, the legal and financial working group is considering various different funding schemes, including PPP (with a more or less substantial private input).

**So what other funding options might be explored?** The allocation to the financing of projects of the “mark-up” allowed by the new **Eurovignette** (Road Charging) Directive, No 2006/38/EC of 17 May 2006 is a possibility worth considering, not only on the west side (Lyon-Turin) but also for funding the Trieste- Divača section. However, the revenues generated by applying the Directive alone are insufficient. Moreover, according to the studies done by LTF, applying a “mark-up” to only the Mont Blanc and Fréjus routes across the Alps would make heavy road traffic switch to other routes, particularly Ventimiglia. It would therefore be useful to pursue the consideration already begun by the Lyon-Turin CIG modal report group of the possibility of using other tools authorised by the Directive, viz. **regulatory charges** (congestion, pollution<sup>19</sup>).

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<sup>19</sup> Directive 2006/38/EC, Article 9.1a(a) and (b).

Combining these various tools might exert greater financial leverage in favour of major prospects such as Lyon-Turin<sup>20</sup>.

In addition, more attention should be given to options involving assistance (in the form of loans) from the EIB to complement Community funding. During the summer of 2006, Loyola de Palacio initiated a process to consider the option of prefinancing in cooperation with the EIB. This process should be followed up.

## 5. CONCLUSIONS AND RECOMMENDATIONS

All of the four objectives Mrs de Palacio set in her 2006 report may be regarded as basically achieved, although not all the stumbling blocks involved in this complex project have been totally removed.

- **Timetable and guarantees of funding:** fully defined for the French access links to the base tunnel and for the Trieste-Divača crossborder section: **a very positive result**  
The timetable for the base tunnel needs reviewing to cater for the changes made in the light of the conclusions of the observatory's work; delays are foreseeable but it has not yet been possible to quantify them. **The most worrying situation concerns the access links to the base tunnel on the Italian side**, as the observatory will only complete its analysis at the beginning of 2008 at the earliest.

This context will require attention to ensuring implementation timing coherence over the whole Lyon-Turin section. The extra costs due to the changes have also to be examined.

**Substantial uncertainties also remain about the timetable for implementing the Treviglio-Padua sections and about the Slovenian sections, notably east of Divača, where the funding issue is also problematic.**

As regards funding, not all of the necessary resources have been found yet. Some States have undertaken funding commitments that need confirming. The multiannual decision for granting funds to RTE-Transport projects will not be known until the end of 2007.

In any case, should Member States submit applications for support within the scope of this programming, the **priority would be to finance** (within the constraints of the budgetary resources available) the sections with the highest trans-European added value, i.e. the **crossborder sections**:

- joint Franco-Italian section (Mont Cenis tunnel);

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<sup>20</sup> The application of regulatory charges and the allocation of the sums collected to a fund for implementing rail infrastructures will be subject to decision at MS level.

- Trieste-Divača.

The access links to these sections should as far as possible also receive financial support, even if they are unlikely to involve work in the period 2007-2013.

- **Consistency of policy and planning:** this aspect is particularly important for the success of the project as a new large-capacity east-west communication corridor. It is therefore essential that mobility policies in the Alps be harmonised and share the objective of reducing the share of the most pollutant modes, in favour of passenger and freight transport that is more environmentally friendly. **This is a new aspect that has yet to be broached.** The Alps might become a pilot zone for the harmonised implementation of such a policy.
- **The Val Susa observatory** has played an essential part in finding a solution to the serious problems affecting the area. Even if all the problems are far from resolved, the situation in July 2007 is definitely better than it was in June 2006. The real challenge now facing the Italian authorities will be to implement the decisions advocated by the observatory<sup>21</sup>. The choice of the “revised” route for the access link to the Turin node is also a major issue on which much of the success of the project will depend.
- Finally, the situation on the **Italo-Slovenian section** is now clearer, although the States’ commitments are currently limited to the design work phase, and the funding of the PP6 infrastructure to the Hungarian border is far from identified. Possible changes in Hungary’s infrastructure priorities also make it necessary to check that the corridor can be carried through to Budapest.

One of the new coordinator’s main tasks will be to remind all stakeholders, particularly the administrations of the countries concerned, that each subproject affects projected works upstream and downstream in the other Member States. In this context, the recommendations that appear throughout this report and the draft work programme appended are all intended to help the coordinator to identify his **priorities for action** to enable him to ensure **the coherence both of PP6 as a whole and of the mobility policy** that must accompany its development.

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<sup>21</sup> Its mandate has been extended to 30 June 2008.

## Annex I. Work programme July 2007 - June 2008 (provisional version)

Action	Objective	"Critical" aspects	Situation	Main contacts
1. Prepare a statement of the coordinator's action priorities for the corridor as a whole on the basis of the 2007 report	To submit an updated work programme to the Commission and the MS by the end of 2007	Maturity of subprojects – consistency of timetables Examination of proposals from MS	Expected in the period July-November 2007	FR, IT, SLO and H authorities, infrastructure managers, rail undertakings, MEPs
2. Identify potential problems that might affect corridor implementation	To propose a solution for each section that involves technical, environmental or administrative problems	Timetable consistency for implementing the various sections. Interoperability of networks. Consistency of policies (priorities). Development of situation in Val Susa (observatory)	Partly identified problems	FR, IT, SLO and H authorities, project promoter(s), local authorities, Val Susa observatory (possible participation if necessary), Lyon-Turin and Trieste-Divača IGCs
3. Prepare the 2008 annual report	To submit in accordance with the terms of reference a project progress report at 1 July 2008 (intermediate report expected in March 2008)	Maturity of projects – consistency of timetables Incorporation of proposals from MS	July 2007-June 2008	FR, IT, SLO and H authorities, infrastructure managers, rail undertakings, local authorities, EIB, financial institutions, DG REGIO
4. Provide specific answers to the funding problems	To develop a funding plan with the other (EIB and REGIO) partners with a view to maximising Community financial leverage.	Innovative funding mechanisms EIB input	In progress, finalisation March 2008	FR, IT, SLO and H authorities, project promoter(s), local authorities, EIB, financial institutions, DG REGIO, BUDG