

## PUBLIC CONSULTATION QUESTIONS TO THE STAKEHOLDERS

Answers from VR Cargo, freight services department of VR Ltd (Finnish Railways), Finland

### Which are the major axes?

1. What are the main transport axes, including motorways of the sea, connecting the European Union to the neighbouring countries or border regions today?

From the point of view VR Cargo there are two main rail transport axes for connecting the EU/Finland with Russia, other CIS countries and the Far East. These are:

### Southern Finnish ports- Vainikkala – Buslovskaya - St.Petersburg – Moscow – Nahodka/Vostochny

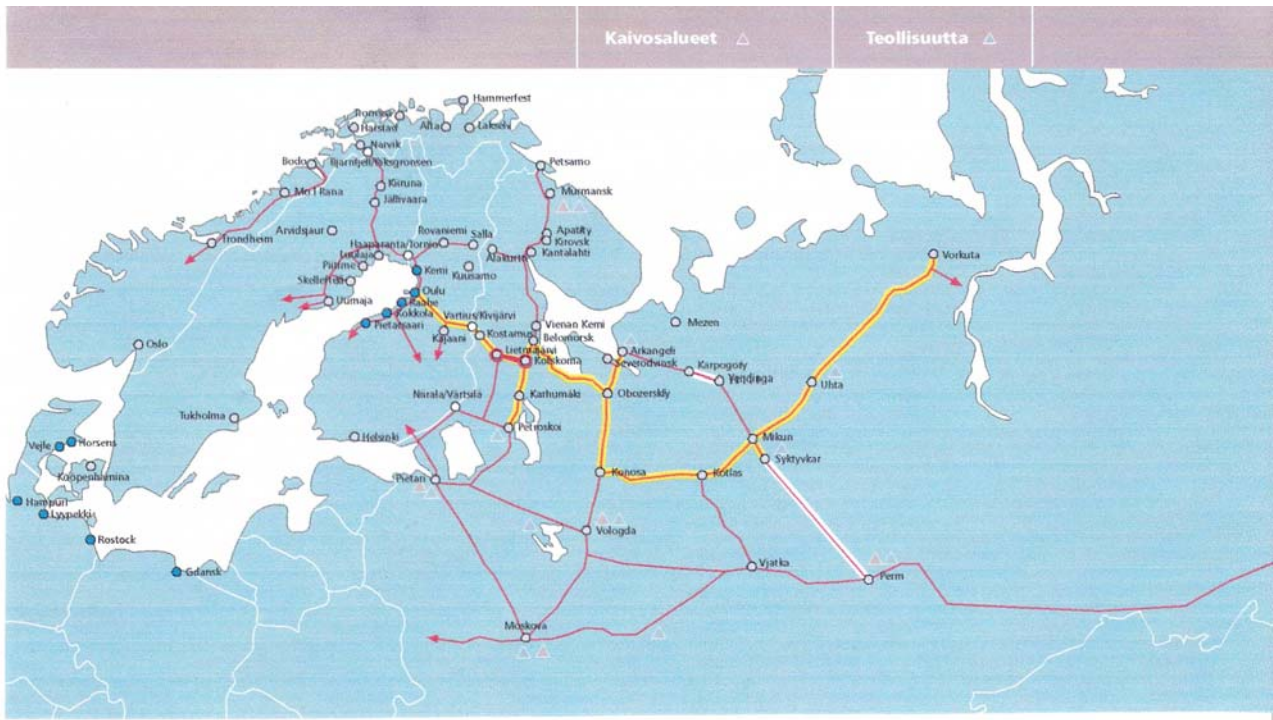
From the Finnish ports (Kotka, Hamina, Turku) there are shipping links to European ports and from Vladivostok/Vostochny to Japan, China and South-Korea, as well.

The link between Finnish ports and Moscow is a part of the pan-European transport corridor (Corridor 9 North). The Trans-Siberian railway route is an extension of Finnish ports – Moscow axis. This corridor with its extension serves transport movements (import, export and transit) not only between Russia and EU, but between EU and the Far East.



### Norther Finnish ports – Vartius – Kivijärvi – Kostamus - Lietmozero – Kochkoma

This is a potential route from Northern Russia to Finland, Northern Finnish ports (Kemi, Oulu, Raahe, Kokkola) and to Scandinavia for import and transit of timber. The route is not yet open for commercial train traffic, because of the reconstruction of infrastructure needs to be finalized for opening.



2. What will be these axes be with a time horizon of 2020?

The most important axe in 2020 will be Corridor 9 North from Finnish ports to St.Petersburg with its extension to Moscow and Vladivostok. It is linking high potential growth regions of Russian and Far East (China, South-Korea) with their most important export-import market, The European Union.

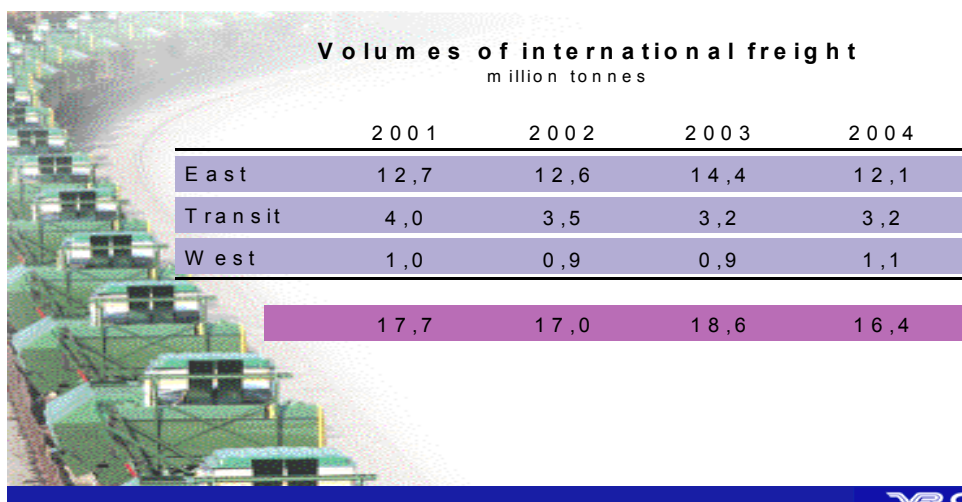
3. What is the balance between the different transport modes?

23,1% of export freight volume and 81,6% of imports between Finland and Russia is transported by rail. The rest is handled by trucks. Imports mainly consist of bulk (raw materials for Finnish industry).

4. What are the current traffic volumes, both passenger and freight, on the proposed axes?

There are different kinds of freight flows on the axe Finland-Vainikkala-St.Petersburg-Moscow with its TSR-extension. Total volumes of freight traffic (export, import, transit) between Finland, Russian and CIS countries for period 1-12/2004

- Container traffic by Trans-Siberian landbridge 124 000 TEUs (66% Korea, 28% China, 6% Japan)
- Container traffic between Finland and CIS countries and Russia 26 000 TEUs
- Import from Russia and CIS to Finland 11.2 million tons
- Export from Finland to Russia and CIS 0.9 million tons
- Transit between EU, Russia and CIS through Finland 3.2 million tons



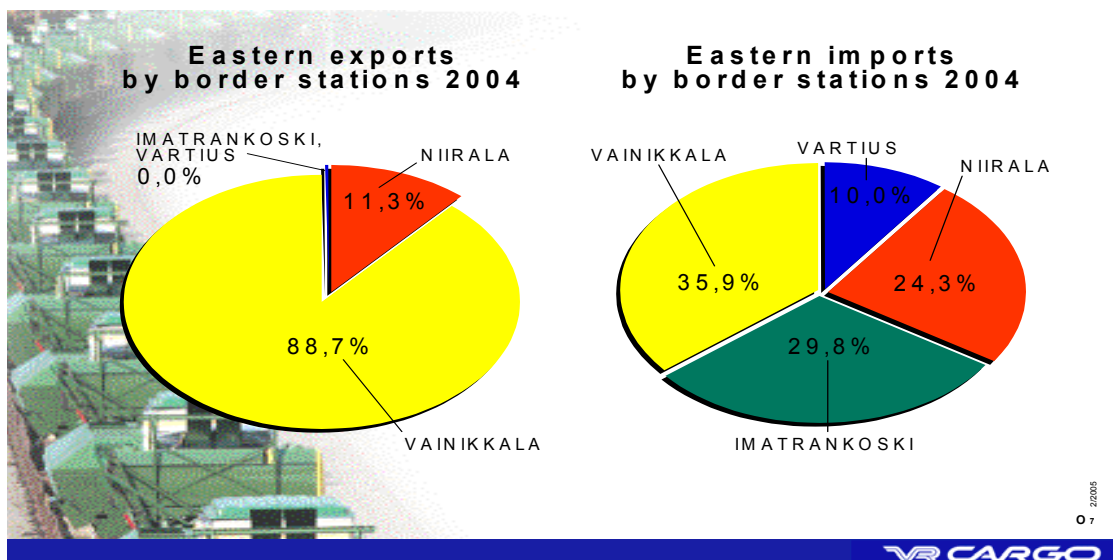
6. How will these volumes develop by 2020?

Exports/imports/transit between Finland and Russia, CIS countries and Far East will increase 5-10% per year. In transportation of timber and industrial goods the growth will be more likely 10-20% per year. Container traffic by Trans-Siberian landbridge will increase to 300 000 TEUs per year, as minimum.

### Which investment and how?

1. Which are the most pressing congestion, traffic safety or geographical bottlenecks on the major axes that could justify investments?

The most pressing bottlenecks on rail axe Finland-St.Petersburg will be at the border crossing points Vainikkala-Buslovskaya and Imatrankoski-Svetogorsk after opening the high speed rail passenger connection from Helsinki to St.Petersburg. Russian Railways are planning to reroute most freight traffic from Vainikkala-Buslovskaya to Imatrankoski-Svetogorsk. However, today main import/export/transit flows go through Vainikkala. That means, that reliable investments into infrastructure improvement of the border crossing points on both sides are needed.



Concerning the rail transport axe Finland-Lietmoozero-Kochkoma investments are needed immediately for finalizing railway signalling system on the Russian side of connection from Lietmoozero to Kochkoma.

3. What is the time horizon for the realisation of such a project?

The high speed passenger rail connection between Helsinki and St.Petersburg is supposed to be realized in 2008. In case of rerouting most freight traffic from Vainikkala-Buslovskaya to Imatrankoski-Svetogorsk improvements to the infrastructure on that border crossing should be done by 2008.

Questions 2 and from 4 to 6

In Finland railway infrastructure is separated from railway business operations and belongs to Railway Administration. Decisions about investments are made by the Ministry of transportation and communications.

### How to ensure seamless and efficient use of the axes?

1. What are the main technical and administrative bottlenecks on the axes?

The main bottleneck on the axes between Finland and Russia is only administrative with complicated, slow and unforeseeable procedures related to border and custom formalities.

2. Are there problems of interoperability when crossing borders or changing modes?

Due to bilateral convention and the same rail gauge between Finnish Railways and Russian Railways technical interoperability between Russian and Finnish rail networks is very high. However there are administrative bottlenecks, derived from the lack of interoperability between Finnish and Russian authorities when crossing the border.