

Answers from DG MOVE to questions raised by MEPs on the new railway link Lyon-Turin

The following questions were presented by the MEPS Daniela Aiuto (M5S - EFDD), Eleonora Evi (M5S - EFDD), Marco Valli (M5S - EFDD), Tiziana Beghin (M5S - EFDD), Curzio Maltese (Lista Tsipras, L'Altra Europa - GUE/NGL) in a meeting with Mr Olivier Onidi, Director, DG MOVE in writing on 27 April 2016 in the European Parliament.

On 26 May 2016 Mr Valli sent a new list of questions to DG MOVE, partly consisting of reformulated questions of 27 April 2016, partly containing entirely new questions.

Question 1 – Can the Commission say how it intends to ensure the correct application of the Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment and of the Directive 2003/4/EC on public access to environmental information (both Directives contributing to the implementation of the Århus Convention)?

Question 2 - On the basis of which objective and/or subjective criteria, can it be claimed that citizens are massively in favour of the project when even Ms Violeta Bulc answering Ms Elenora Forenza MEP on April 11th 2016 (P-013769/2015) said “The European Commission is not aware of the incident described (on October 3rd 2015: an aggressive reaction by the police near to the Maddalena construction site against citizens and MEPs with casualties, editor’s note) and in the absence of information, the Commission is unable to comment.

Answer 2 – In its reply, the Commission has stated not to see a connection of the support for the Lyon-Turin project by a majority of the population and the refusal of the police to allow a group of members of the European Parliament access to the Chiomonte construction site. The access to the construction site is governed by rules related to safety which are defined by national authorities.

Question 3 – On what basis can the Commission claim that the Lyon-Turin project has now gained strong support from the local communities?

Answer 3 – DG MOVE highlights that it is for the Member States to decide which projects should seek funding from the Connecting Europe Facility. The Commission however underlines that according to the information received from the French and the Italian authorities, the large majority of local government organisations is in favour of the project and this fact is not called into question by the existence of minority groups which are opposed to it.

Question 4 – Please describe the European added value of this project.

Answer 4 - The cross-border section of the new Lyon-Turin rail link is one of the pre-identified projects of common interest for the “Connecting Europe Facility”.

The trans-European transport network is the new framework to promote the transport of passengers and freight by an ecological mode of transport: the railways. The aim is to reduce the use of road and air transport, which increases pollution and the emission of greenhouse gases. This is particularly vital in the especially delicate zone – the Alpine region.

The new Lyon-Turin rail link is the pivotal element of the Mediterranean Corridor, serving 18% of the population of the Union, and regions representing approximately 17% of European GDP (source PWC study, 2014; available at http://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/corridors/corridor-studies_en.htm).

The priority network is made up of 9 corridors and the Mediterranean Corridor (3,000 km) is the main east-west axis and crosses 7 other corridors. To guarantee its efficacy, the EU has defined investment priorities, with the cross-border section crossing the Alps crossing being the most important one. Developing a railway line via a base tunnel is fundamental to making rail travel competitive and attractive.

The effects of the network resulting from the new Lyon-Turin link are considerable, not only for passengers (via stations in Paris, Lyon, Chambéry, Turin and Milan) but also for freight (via port facilities and intermodal hubs in Barcelona, Marseille, Lyon, Orbassano, Novara, Genoa and Milan). As the only east-west axis of the Trans-European network which crosses the Alps, and due to the numerous interchanges with the big north-south corridors, the economic impact of the construction of the new Lyon-Turin link covers a wide market extending to the gateways to markets beyond Europe (airports and main ports).

The stakes are high for the Mediterranean ports because the multi-modal corridor makes them more competitive. The objective is to capture the flow of goods from Asia through the Suez Canal, currently 75% of the volume of this traffic comes through the major ports of the North of Europe and is then transported south by road.

The New Lyon Turin Line (NLTL) fits into a context of international trade which is of particular interest to France and Italy. The economic environment of the new link is 132 billion euro of trade between the west face of Europe and the Mediterranean zone. This zone contains 3 of the 4 main manufacturing basins in Europe: Lombardy-Piedmont, Auvergne-Rhône-Alpes, Catalonia, with a trade volume between Italy and France, reaching over 70 billion euro, with flows based on the type of goods which are perfectly adapted to rail transport such as cars, chemicals, industrial machinery. In the absence of a modern rail infrastructure between France and Italy, these products currently transit by the Swiss rail network despite lengthening the journey or are transported by road causing congestion on alpine roads and the motorways along the Mediterranean Sea, in Liguria and on the Côte d’Azur.

As far as passenger transport is concerned, the NLTL will complete the high speed rail network between five major metropolitan regions in Europe (London, Paris, Madrid, Milan and Barcelona) focal points for the arrivals of tourists from all over the world. The existing lines are freed up to develop regional and tourism transport, knowing that the Maurienne, Tarentaise and Val de Suse valleys make up important tourist areas.

Question 5 - Please list the missing links and the bottlenecks on the alpine itinerary of the project which justify the implementation of the project in the framework of the EFC (Economic and Financial Committee) regulations (because there is a line which was modernised a few years ago.)

Answer 5 – The existing line is, and will continue to be, obsolete due to its gradient and its altitude. It represents the weak link in the Mediterranean Corridor.

The existing line has several drawbacks which make the Lyon-Turin line unattractive for modern long distance freight services.

Reaching an altitude of 1 335m, the train services are currently limited by the constraints of the existing line which came into use in 1871 (project dating from 1857), making it the oldest tunnel through the Alps. The steep gradient of over 30‰ (modern lines are limited to 12,5‰) and the two voltages (1,5kV in France, 3kV in Italy) are serious obstacles for heavy freight trains.

In addition, the loading profile is limited which excludes large containers (profile PC80). The rolling motorway service is also penalised by the fact that it is not available to convoys with trailers over 4 meters high (although nowadays, a large proportion of the fleet is between 4 metres and 4m20.) The constraints of the existing line means that wagons designed for the alpine rolling motorway require loading/unloading times which lead to extra costs not compensated for by public subsidies.

The renovation of the Mont Cenis railway tunnel has increased the height of the tunnel. However, the renovation did not remove the constraints on the transit of trailers and the size of containers due to the lack of space between the two tracks (less than 3,5m from track centre to track centre). Given that the tunnel dates back to the 19th century it does not meet today's safety standards: the tunnel only has a single tube and no emergency exits. This results in severe limitations on its operational use, leading for instance to the prohibition that freight trains transporting hazardous goods and passenger trains pass each other.

Question 6 - Could the European Commission provide the evaluations which allowed to approve the Lyon-Turin link and to keep financing the project despite the well-founded criticisms of several MEPs and of many citizens, mostly residing in the surrounding areas of the project?

Answer 6 – The Lyon-Turin railway link is one of the pre-identified projects in Regulation 1315/2013. Its inclusion is based on the methodology established and accepted by the Institutions for the definition of the TEN-T.

Question 7 - The travel time between Paris and Milan, using the current railway lines, including the high-speed rail between Turin and Milan, is 5:25 hours, which would be reduced by only 25 minutes through the base tunnel project. Given this limited benefit, how does the Commission justify the expenditure of more than 10 billion euros only to build the

base tunnel, what is, in its view, the added value of this project, and what are the data in its possession according to which it believes that it is feasible to achieve the financial balance?

Answer 7 - Travel time between Paris and Milan today is 7 hours and 20 minutes (e.g. TGV 9241 or TGV 9245) and not 5h25. The total cost of the base tunnel, of two new train stations and of the two interconnections with the existing line have been certified at €8,3 billion.

In addition to the reduced travel time for passenger the new line will allow to transport a considerable amount of freight thus alleviating the congested roads, given that most freight is currently being transported by road. Only with the new base tunnel will it be possible to achieve a sizeable shift of cargo from road to rail.

Question 8 - Does the Commission not believe that it would be appropriate to encourage France and Italy to use the renewed existing railway line in order to decrease the road traffic in the Italian-French Alps and to respect the White Paper on Transport?

Answer 8 –In accordance to the information provided in the cost-benefit analysis The Lyon-Turin project aims at decreasing road traffic by shifting the transport of goods largely from road to rail. The Commission is assisting France and Italy in this endeavour by co-funding the Lyon-Turin project. As explained above (see answer 5) the existing line is inadequate to achieve such a significant modal shift in freight transport.

Question 9 - With reference to the previous question, could the Commission provide independent estimates of the freight flows on the route Turin-Lyon?

Answer 9 – According to the information received from the Member States, 2.5 million heavy goods vehicles cross the Franco-Italian Alps every year.

The Lyon-Turin itinerary is developing via just one alpine rail crossing, a railway line on the coast, three motorway crossing points, two of which at high altitude (Fréjus tunnel and Mont Blanc tunnel) and one costal crossing point (Vintimille). The routes situated on the Côte d'Azur and in Liguria were designed for tourist traffic and not for heavy goods traffic. Heavy good vehicles crossing the Alps via the motorway crossing points is causing serious problems for the alpine environment.

The fact that the Mont Cenis rail tunnel is not adapted to freight traffic, as described above, is the cause of a concentration of goods traffic on the road transport mode, leading to millions of heavy goods vehicles using this route in environmentally sensitive zones such as the Alps and the Mediterranean coast.

The volume of traffic between France and Italy is 40 million tonnes a year, higher than that crossing the Swiss Alps, it represents around 60% of the volume of traffic crossing the border at the point which has the heaviest traffic, i.e. the crossing between Austria and Italy.

The objective of the Lyon-Turin project is, as per the commitment made by the States which signed the Alpine Convention in 1991, to transfer the main part of this traffic from road to rail, thus implementing the commitments of both countries and of the European Union. The importance of the Lyon-Turin project is not limited to these two countries as it is a crucial

stretch of a 3 000 km corridor. We are beginning to foresee a connection towards the East in view of the operations carried out in Eurasia by the Russian Federation and China. These countries are modernizing their high speed/high capacity rail systems to connect to the TEN-T network.

Question 10 - Can the Commission guarantee that the Lyon-Turin project will not fail as the Perpignan-Figueras line which was also funded by the European Union, failed, even though the cost/km was six time lower than that of the Lyon-Turin project?

Question 11 - Please supply detailed analytical accounts for the funds provided to Italy and France by the European Union from the beginning of the project to date.

Answer 11 - Since the beginning of the work the European Union has provided a total of 474 million euro which were paid to the Lyon-Turin project company (LTF) in the framework of three actions:

1. TEN 2001 – 2006
2. TEN 2007 – 2013/15
3. CEF 2016 – 2019

Table 1 summarises the instalments for action TEN 2001-2006:

Table 1

Decision	Year	Phase	Italy	France
C(01)3898/6	2001	Pre-financing	2.500.000,00	2.500.000,00
C(2002)5032/8	2002	Pre-financing	11.889.500,00	11.889.500,00
C(2003)5372/1	2003	Pre-financing	9.000.000,00	9.000.000,00
C(01)3898/6	2001	Saldo	2.500.000,00	2.500.000,00
C(2004)5821	2004	Pre-financing	4.000.000,00	4.000.000,00
C(2005)3308	2005	Pre-financing	12.000.000,00	12.000.000,00
C(2002)5032/8	2002	Saldo	11.889.500,00	11.889.500,00
C(2004)5821	2004	Intermediate	1.600.000,00	1.600.000,00
C(2006)5875	2006	Pre-financing	5.000.000,00	5.000.000,00
C(2004)5821	2004	Saldo	2.400.000,00	2.400.000,00
C(2003)5372	2003	Saldo	9.000.000,00	9.000.000,00
C(2006)5875	2006	Saldo	4.972.653,96	4.972.653,96
C(2005)3308	2005	Saldo	11.209.681,77	11.209.681,77
Total			87.961.335,73	87.961.335,73

This sums up to a total of 175 922 671,46 € of EU co-funding for the period 2001-2006.

In this period, the company recorded capitalised production of 318 234 206 €. The analytical breakdown is given in table 2 (data from audited accounts):

Table 2

Analytical breakdown	2001-2006
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Preliminary design	30.476.415
Consultation draft	49.517.268
Ground surveys	4.609.980
Access tunnel Modane	79.203.003
Access tunnel St-Martin	99.070.278
Access tunnel La Praz	35.937.927
La Maddalena Gallery	6.494.058
Geological surveys	12.925.278
Total	318.234.207

Table 3 summarises the instalments for the action TEN 2007-2013/2015

Table 3

Décision	Year	Phase	Italy	France_LTF	France_Etat
C(2008)7733	2007	Pre-financing	3.125.000,00	3.125.000,00	
	2008	Pre-financing	5.025.000,00	4.775.000,00	
	2009	Pre-financing	10.287.500,00	8.887.500,00	270.000,00
	2007	Saldo	3.125.000,00	3.125.000,00	
	2008	Intermediate	4.931.899,16	4.741.506,47	
	2010	Pre-financing	6.793.416,50	6.596.583,50	
	2007	Saldo	58.750,51	1.437.409,49	
	2009	Saldo	9.361.332,67	7.854.536,00	
	2008	Saldo	34.790,33		
	2011	Pre-financing	2.995.460,00	1.604.783,00	1.170.257,00
	2010	Intermediate	2.211.976,73	4.926.032,31	
	2011	Pre-financing 2011	1.797.280,00	423.241,71	702.152,00
C(2012)574	2012	Pre-financing	3.360.063,00	2.322.412,00	874.925,00
	2010	Intermediate	5.072.003,63		
	2010	Saldo	435.489,34		
C(2013)5399	2013	Pre-financing	77.945.662,06	58.482.690,94	
	2012	Intermediate	4.558.249,62	4.307.450,38	
	2014	Pre-financing	1.471.388,66		
	2015	Pre-financing			1.374.073,84
	2015	Intermediate			510.120,30
	2015	Intermediate			1.598.484,23
Total			142.590.262,21	112.609.145,80	6.500.012,37

A total of 261 699 420,38 € of which 255 199 408,01 € were directly paid to LTF and 6 500 012,37 € to the French State for land purchases LTF had no authority to make.

During the period covered by this table the company recorded capitalised production of 508 643 625 € the analytical breakdown is given in table 4 (data from audited accounts):

Table 4

Analytical breakdown	2007-2015
Territories /	34.376.603
Preliminary design	31.980
Consultation draft	17.041.136

Ground surveys	2.450.743
Update of the consultation draft	73.059.547
Access tunnel Modane	40.108.431
Access tunnel St-Martin	151.768.050
Access tunnel La Praz	55.897.412
Venaus Gallery	132.368.273
Geological surveys	1.541.450
Total	508.643.625

The action TEN 2007-2013/15 is not yet closed.

The funds paid by the EU in the framework of the action CEF 2016 – 2019 are estimated at 30 016 000 € paid directly to the TELT company and 416 000 € paid to the French State as pre-funding for 2016.

Question 12 - Please provide us with the Commission's assessment of any conflicts of interest in drawing up the Certification of Cost of the Project.

Answer 12 - It is for national authorities to produce the certification of cost of the project and to ensure that the costs of the project are correctly reflected. It is not for DG MOVE to decide or verify the possible conflict of interests during all the stage of project implementation.

However, according to the information received from national authorities, there is no conflict of interest in the Certification of Cost of the project.

This was formalized by Article 18 of the Franco-Italian agreement of 30 January 2012.

Based on a mandate from the two States, LTF launched in 2014 a selection procedure to choose the certifying body, through a request for tenders which set the conditions for participation and precisely defined the motives for exclusion. The candidate selected was the Belgian group Tractebel-Tuc Rail, which met the specifications demanded and was in full compliance with the selection conditions.

Question 13 - Please provide us with the Commission's view on any conflicts of interest in the Cost-benefit analysis of the Project (cf the N° 8 Journal of the Presidency of the Italian Prime Minister).

Answer 13 – see reply to the Question 12.

Question 14 - How does the Commission intend to argue that the cost of the base tunnel of the Turin-Lyon link could be less than 11 billion € as foreseen for the Gotthard tunnel in Switzerland which has the same length and passes through the same Alpine massif?

Question 15 - The Italian Competition Authority decided in December 2015, that Mario Virano, general manager of TELT, is in a situation of incompatibility under the law 215/2014, and that he cannot exercise his function without conflict of interest. Given that the European Commission is co-financing the project, which procedures has put in place to cease this situation?

Question 16 - Describe the results of the European Commission's assessment of the reliability of LTF/TELT as a developer.

Answer 16 – The two shareholders of the Lyon-Turin project promoter TELT are France and Italy. It is these two States that guarantee for the reliability of the project promoter. Further to the role of the shareholders (the States), the TELT accounts are certified by the independent Statutory Auditors, Deloitte and PWC.

In the framework of the CEF funding, the annual progress reports are also certified.

All the activities of the company are subject to control by the European, French and Italian Courts of Auditors.

Question 17 - Hubert du Mesnil, President of TELT, on 20 April 2016 declared in CONT that "the Certification will soon be followed by the publication of the Certification Report by the Member States". The Certification, however, had already been released on March 8th 2016 in Venice, during the IT-FR Summit. Given that the summary of the Certification has already been released, do other Certifications exist? In the latter case, the Commission is kindly asked to publish the other Certifications and to provide explanations on the merit.

Answer 17 – DG MOVE has been informed by the national authorities that there is only one certification of costs.

Question 18 – We kindly ask the Commission to provide a copy of the application for funding of the 25th of February 2015, which was sent to the Commission from Italy and France.

Answer 18 – Requests for copies of a funding application are dealt with by the Commission pursuant to the rules laid down in Regulation 1049/2001. This request is dealt with under the relevant procedure for the access to documents.

Question 19 - In spite of several requests, DG MOVE has denied its cooperation on the request of information concerning the study on the co-financing allocated to the project Turin-Lyon, which the CONT Committee has commissioned to the services of the EP. The Commission is asked to provide an explanation for this denial.

Question 20 - How do you justify the presence in LTF's accounts for the years 2007, 2008, 2009, 2010, & 2011 of the amount of 7.545.837 € under the heading "Advances and prepayments on orders for intangible fixed assets" because no movement of funds was made and this seems to be a loan of public money for a period of five years?

Question 21 - The financing decision C (2008) 773 315 for an amount of € 671.8 million (Article II.3.3) and the Decision C (2013) 1376 for an amount of € 395,282,150 (Article II.3.3) have substantial differences, for example:

1. - Art. II.2.3 activities description 5 Decision C (2013) 1376: "Given the exploratory nature of these studies and the relative uncertainty, it is not possible to determine the length of the excavations that would have been carried out by the end of 2015, the length however, will not exceed 3 km." Art. II.2.3 activities description 1.5 Decision C (2008) 7733: "It is the construction of reconnaissance gallery of 600 meters (in two sections of 300 meters) to the east, starting from the base of the inclined shaft."

2. - Article 5 II.3.3 Activities 5 Saint Martin de la Porte Gallery C (2013) 1376 = € 250,118,925 Article II.3.3 Activity 1.5 Saint Martin de la Porte Gallery C (2008) 7733 = € 96.1 million

How does the Commission justify the changes made in the allocation of the grants awarded and determination of actions between the two decisions?

Answer 21 - Although the title of activity 1.5 did not change, the technical description of the activities was substantially extended.

A study finalised in 2011 and after the adoption of Decision C(2008)7733, underlined the need to undertake more thorough investigations as regards the geological, hydrogeological and geo-mechanic conditions in the *Houiller* rock massif, where the future excavation of the base tunnel will encounter the weakest ground conditions. This is why the scope of activity 1.5 was extended. As a matter of fact, while Decision C(2008)7733 was referring to 300 meters of excavations, Decision C(2013)1376 referred to 3 kilometres.

In large civil construction projects, information about rock properties is gathered before the full excavations begin in order (i) to evaluate the technical feasibility of future works, through the identification of any geological and environmental problem linked to the use of tunnel boring machine (TBM); (ii) to plan appropriate technical solutions for a timely and cost-effective implementing plan of future works; and (iii) to prepare tender of the future works (define terms of reference and decide the most appropriate financial package).

Question 22 - The Commission has stated (E-001636/2015) that the principle applicable to funds that have not been used within a period ending on December 31st, 2015 is "use it or lose it". May the Commission provide an inventory of the studies and verifications carried out within December 31, 2015 contained in the Financing Decision C (2008) 7733 amended by Decision C (2013) 1376 and the allocation of subsidies for eligible activities?

Answer 22 - The final payment claim covering the implementation until 31 December 2015 of the activities included in the technical scope of C(2008) 7733 as amended by C(2013)1376 has not yet been submitted.

Question 23 - How does the Commission judge the presence of the Mafia on the Italian worksites of the project?

Question 24 – Can the Commission justify the fact that the Director-General of LTF in office in the years 2004 to 2011 and the Director of LTF Works, sentenced to 8 to 12 months' imprisonment at first instance by the Italian courts for acts dating back to 2004, have not been removed from their posts?

Question 25 - How does the Commission justify a 6.52 ratio recorded in 2014 budget for the expenditure of «Furniture and office supplies and computer" per employee between France and Italy (€ 49 997 per employee in Italy against € 7,670 in France)?
