

LETTER OF INTENT

on ERTMS Deployment on Corridor B
(Stockholm – Hamburg – Munich – Naples)

between

**The Ministry of Enterprise, Energy and Communications of Sweden
on behalf of the Swedish Government.**

**The Ministry of Transport
of Denmark**

**The Federal Ministry of Transport, Building and Urban Affairs
of the Federal Republic of Germany**

**The Federal Ministry of Transport, Innovation, and Technology
of Austria**

**The Ministry of Infrastructure and Transport
of Italy**

With reference to the indications resulting from the activities done by the infrastructure managers and the railway undertakings under the monitoring of the European coordinator for ERTMS in order to promote a European migration strategy along the major rail freight corridors including Corridor B Stockholm-Naples towards the European Rail Traffic Management System (ERTMS) and as part of it the European Train Control System (ETCS)

Wishing to support international freight and passenger transport while taking in consideration the integration of road and rail connections for the benefit of the European transport infrastructure

Referring to the definition of the Pan-european multimodal transport corridors, and to European priority transport projects further defined by Decision 1692/1996/EC as amended by the Decision No 884/2004/EC of the European Parliament and of the Council

Inviting activities related to the corridor, which have already been completed or are being prepared

Having regard to the fact that Corridor B is a fundamental European North-South freight traffic corridor, having a length of approx. 3.500 km through five countries and the ERTMS implementation is a priority on this main European rail corridor whereas the interoperability will improve the cost-benefit scenarios and the quality of service facilitating the cross border traffic

Considering the benefit of the planned Fehmarnbelt fixed link in the Baltic Sea and the Brenner Base Tunnel in the Alps as well as the possibility to realize ERTMS on the existing lines via Flensburg respectively Innsbruck in the case of heavy delays in these eminent infrastructure projects

Having regard to the need to put through the Directive 2008/57/EC on the interoperability of the rail system within the Community, especially by implementing ERTMS, and

Taking into account, that

- the technical specifications of interoperability (TSI) „Control – Command and Signalling“ for the ERTMS has been effective since 28th September 2006
- the European Commission asked Member States for their strategy of implementing ERTMS/ETCS in the EU for the purpose of its negotiations with the European Parliament and Council

- the European Commission appointed Mr. Karel Vinck as a coordinator of the ERTMS implementation on the Trans-European Networks (TEN), with a special emphasis on main freight transport corridors, like the corridor Stockholm-Naples
- on request of Transport Ministries, the participating infrastructure managers drew up a practicable ERTMS implementation strategy for each corridor section, and expressed their support to a proposed agreement
- the implementation of ERTMS is the basis of the corridor optimisation, with the aim to increase traffic flow and transport quality
- the European Commission promotes the ERTMS implementing both on infrastructure elements and onboard equipment of rail vehicles
- the European Parliament supports the fast implementation of the ERTMS on six freight corridors
- the implementation depends on the degree of maturity and the availability of financial resources, without prejudging the financial commitment of a Member State or the Community
- the draft System Requirement Specification (SRS) 3.0.0 published by ERA on 23.12.2008 includes Limited Supervision and thus provides an intermediate step for an economic implementation to ensure a fast availability of ERTMS/ETCS along complete sections of the corridor without a premature renewal of existing interlockings and the appropriate level of ERTMS/ETCS performances for all the levels of application and configuration
- the deployment of ERTMS in Germany can be accelerated by the equipment of high-speed-lines followed later by the fitting of conventional lines.
- the Railway Interoperability and Safety Committee (RISC) according Article 29 of Directive 2008/57/EC has approved the Draft Commission Decision amending Decision 2006/679/EC as regards the implementation of the technical specification for interoperability relating to the control-command and signalling subsystem of the trans-European conventional rail system [Commission document D003986/03] with the European ERTMS Deployment Plan (EDP) in the Appendix. In particular there is established that the six corridors shall be equipped with ERTMS in accordance with the timetable set out in the same Appendix.

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- the European Commission is due to evaluate the implementation of the EDP by 31 December 2015, especially as regards the lines to be equipped by 2020. In its analysis, the Commission will take due account of the progress made in the implementation of that plan and of the amounts available to promote ERTMS projects in the framework of the TEN-T programme or of any other programme of Community financial aid.

The Ministers have declared their intention to support following actions

- to implement ERTMS on the above mentioned corridor, basically using baseline 3, as follows:
 - For the alpine part (München – Kufstein – Brenner/Brennero – Verona) it will be progressively deployed by 2015;
 - For the northern part (Stockholm – Copenhagen – Roedby– Hamburg) and the remaining parts in Germany (München – Hamburg) and Italy (Verona - Napoli), ERTMS-deployment will be progressively deployed by 2020, unless the above referred analysis due to be carried out by 2015 concludes that this date is not achievable for duly justified reasons.
- to implement ERTMS/ETCS on the tracks linking the corridor B to the most important ports, freight terminals and marshalling yards along the corridor with the same deadlines
- to ensure the quick start up of commercial operations on all the corridor sections of line in coherence with the reciprocity criteria, operating in order to allow that the commercial interests of each Country crossed by the corridor will be respected, also in case of modification, adequately justified, of the agreed national deployment plans and for each situation producing delay
- to organize the coordination of the project by the Ministries and Infrastructure Managers interested
- to set up an executive board to steer the implementation of the project. The European Commission and Infrastructure Managers will also be invited onto the executive committee. The executive board will adopt its mission statement as soon as possible. It may give advice to the Ministers regarding changes to national railway regulations if these regulations would hinder implementation of the project. The executive board will not change the responsibilities and powers of the Ministers.

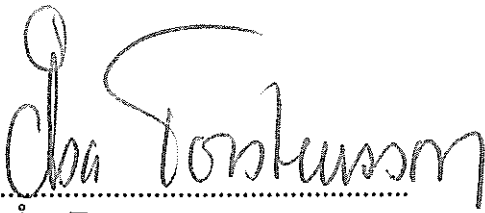


- to support the Infrastructure Managers to create a common management committee to implement the project plan for ERTMS deployment on the corridor. The management committee will report to the executive board in line with this Letter of Intent and the project plan. The management committee – acting as a permanent task force – has the function of developing the detailed implementation plan including measures to control different risks that may occur, organise where possible common purchasing of ERTMS equipment and organise financing of the implementation plan. The management committee should act as far as possible as a common body dealing with support groups of the European Railway Agency, the railway industry (UNIFE) and the Railway Undertakings (CER, EIM, ERFA, UIC) for the implementation of the project. Furthermore, the management committee ensures coordination with all other activities of the Infrastructure Managers for quality improvement on the corridor.
- to draw the program of investments into infrastructure concerning ERTMS with the aim to increase effectiveness of the corridor, as well as benefits for rail transport operators, including a detailed implementation plan
- to submit where possible joint applications of the participating EU Member States for co-financing from the EU TEN budget
- to take all necessary measures consistent with the national budget planning, with the national and European rules of state aid, as well as with the conditions of competition, in order to ensure the needed funds for financing of the national corridor parts
- to encourage the given infrastructure managers and railway undertakings to set up a European Economic Interest Group (EEIG), which will ensure the ERTMS implementation on the corridor in cooperation with ERA, UNIFE and other railway organisations (CER, EIM, ERFA, UIC)
- to ensure that safety bodies responsible for homologation of ERTMS facilities on infrastructure and rail vehicles will submit the agreement on cooperation to the ministers and the European coordinator to speed up the process of certification.

This LoI is signed in five executed copies, one for each party.

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Done on 11 June 2009 in Luxemburg



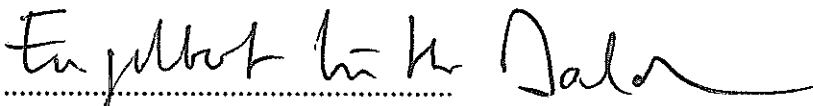
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Ms. Åsa Torstensson.

Ministry of Enterprise, Energy and Communication on behalf of the Swedish Government



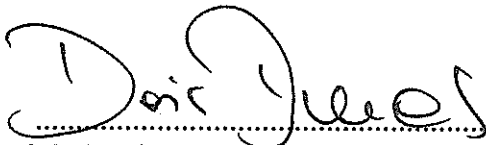
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Mr. Lars Barfoed

Ministry of Transport of the Kingdom of Denmark



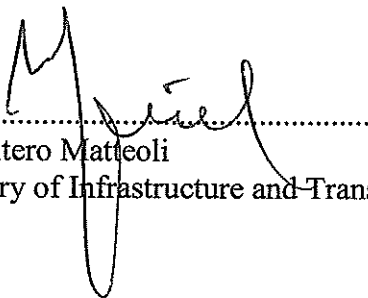
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Mr. Engelbert Lütke Daldrup

Federal Ministry of Transport, Building and Urban Affairs, Federal Republic of Germany



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Ms. Doris Bures

Federal Ministry of Transport, Innovation and Technology, Federal Republic of Austria



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Mr. Altero Matteoli

Ministry of Infrastructure and Transport, Republic of Italy