



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR ENERGY AND TRANSPORT  
DIRECTORATE B - Transeuropean Networks Energy & Transport  
The Director

<b>Projectorganisatie HSL-Zuid</b>	
Datum ontvangst	: 19-3-2001
Registratiecode	: 207439
Beh. eenh. (+ rubriek)	:
Behandelen door	:
Kopie:	W/Ko

Brussels, 13. III. 2001  
B3/ACC/vh/ S:31/ertms/HSL Zuid D(2001) 3582

Mr Korf  
Ministerie van Verkeer en Waterstaat  
Postbus 20901  
NL-2500 EX Den Haag

Dear Mr Korf,

Thank you very much for your letter dated December 22<sup>nd</sup>, 2000 and for the complementary information enclosed in your subsequent letter of February 12<sup>th</sup>, 2001.

Before addressing the issue of your request I would like to note two points which appear to be crucial in setting up the right back-cloth for its consideration:

- i. In the recent past the Commission has been providing a significant financial support to the BV21 project which aims at facilitating the introduction of ERTMS in rail network of The Netherlands. The level of support to this project requested by the relevant Dutch parties – both Railinfrabeheer and the Dutch government – has been significantly above the average demands for similar activities in order countries. Such a discrepancy was justified by your railway and government colleagues on the basis of the following two main reasons:
  - The BV21 project was expected to qualify the suppliers for the so called four railway ‘mega projects’ in The Netherlands, including notably the HSL Zuid project;
  - The intended target was to develop an ERTMS Level 3 system closely linked with the Dutch railway traffic management system with the aim of increasing the operational capacity across the whole of the rail network in The Netherlands.

On the basis of the minimisation of the risks associated with the implementation of such a comprehensive ERTMS deployment strategy the Commission accepted to provide the requested extra support.

However, we note with dismay that not only the suppliers involved in the BV21 project are not amongst those that have been selected for final contract negotiations in the HSL Zuid project, but also that a possibility exists for the installation of a proprietary signalling system. The latter would appear to deny the concept of a coherent signalling strategy across the whole of the Dutch rail network that was claimed to underpin the BV21 objectives. If, in addition, any foreseeable ERTMS-based installation would be restricted to a Level 2 system, this all compounds to raise major questions about the soundness of both the BV21 project as it stands nowadays and of the Commission's support to it;

- ii. The HSL Zuid project has since several years received a substantial financial support from the TEN funds that now amount to a total of 113 M€. An additional sum of 85 M€ was earmarked in the multi-annual plan that is to cover the period 2001-2006. However, as clearly referred to during the last TEN Financial Committee meeting, the allowance of the latter sum in full is dependent from a statement from the project promoters regarding the compliance of their projects with the requirements of the High-speed interoperability - which includes the deployment of ERTMS. This evolves from our intention to give the highest support and priority to those high-speed rail projects that back the main strategic goal of the Commission in promoting a really interoperable trans-European rail network.

Therefore, we feel that we have always been quite supportive to the Dutch authorities in regard to both the HSL Zuid and BV21 projects that in our opinion have to be seen as interdependent rather than isolated initiatives. Notwithstanding this fact, we have given full consideration to a certain number of other issues that carry major relevance in the context of your request:

- The constraints to the consideration of more global, national-oriented, perspectives that might be brought-in by the Public-Private-Partnership scheme underlying the project, notably, arising from needs for the private sector to assume a fair share of the project risks during a long concession period;
- The negative impact of the deployment of a proprietary signalling solution in the HSL Zuid on a future, more interoperable, development of the PBKAL project as a whole;
- The positive effects to the consolidation and dissemination of ERTMS that will always emerge from a deployment decision in the HSL Zuid; and
- The commitment of the Dutch government to absorb a significant percentage of the additional costs born by the support to the command/control interoperability.

Against this background, we feel disposed, subjected to endorsement by the TEN financial committee, to grant you the requested 15 M€ of additional support to the HSL Zuid project but on the condition that ERTMS would be operationally available from the outset of the line's commercial operation.

We would propose this additional grant to consist of 7 M€ of extra funds and 8 M€ in re-assignment of funds that were earmarked as part of the Commission's support to the BV21 project in the forthcoming years. To facilitate the Commission's financial management we would also propose to spread this additional commitment in a uniform manner during the period 2001-2003.

We feel such a proposal comes a long way in ensuring a common ground between the Commission and the Dutch government that will result in benefits to us both. Of course, our proposal will necessarily entail a rethink of the strategy behind the BV21 project. But this latter effort will always be necessary if the project is to fulfil its goal – i.e. to support the deployment of ERTMS in the Dutch four 'mega projects' – whilst adapting to the prevailing conditions in the railway market. This is finally an issue where we count on the best efforts of the Dutch Ministry for Transport taking into account its role of sponsor of both the BV21 and the HSL Zuid projects.



A. Gonzalez Finat

c.c.: Messrs M. Miltenburg and R. te Pas.

