

3rd Meeting of the Steering Committee of the Pan-European Corridor X

Thessaloniki, March 16 2001

Meeting Minutes

Agenda item 1: Opening Remarks by the Chairman, Mr. Patsiavos

1. The Chairman of the Steering Committee, Mr. Patsiavos, expressed his pleasure for the fact that this was actually the 1st Meeting of the Steering Committee, which has replaced the Pre-Steering Committee. He briefly described the situation in the region and the improvements in the political environment, which would allow for the undisturbed progress of the works for Corridor X and for the closer cooperation among the countries involved. He also announced the signing of the Memorandum of Understanding by the countries involved to enhance the rapid development of the corridor, which would be signed by the Commission as well, within the next few months.

Agenda item 2: Adoption of the Agenda

2. The Agenda was unanimously accepted, with a change in the order of items 4, 5 and 6. Items 5 and 6 were presented before item 4.

Agenda item 3: adoption of the 2nd Meeting minutes

3. The minutes of the 2nd Meeting were unanimously approved

Agenda item 5: Progress report on the work program and presentation of the surveys performed by the Technical Secretariat

4. Pr. Taxiltaris expressed his satisfaction for the meeting after the signing of the Memorandum of Understanding. He also expressed his thanks to all the delegations for their cooperation concerning the surveys and more especially for the completion of the

questionnaires. He also expressed his thanks to all the delegations for the organization and management of the on site visits of the members of the Technical Secretariat in each country. He noted that throughout the period between the two meetings there has been an extensive exchange of information and many on-site visits for the Technical Secretariat, which started its works on January 1st 2000. He elaborated on the role and the work programme of the Technical Secretariat. He urged all participants to make their comments, remarks and suggestions on the material they have received by April 20th. He put special emphasis on issues regarding financing and the information that is already available on financing from IFIs and the private sector, calling upon all participating countries to follow the proper course of action and adopt those policies that may attract funding. He stressed the need for more meetings, given the extent of the responsibilities of the Technical Secretariat, and assured the participants that more information on the question of financing will be provided and suggested that the participating countries should be involved in identifying possible funding opportunities. Mr. Taxiltaris also talked about organizations whose works produce complementary results to those envisaged for Corridor X, such as SECI, and its work for the simplification of documentation and improvement of physical infrastructure. He concluded by introducing the activities envisaged by the Technical Secretariat, and in particular the completion of the database, the present terms of references for new studies, the present private-public partnership (PPP) schemes for transport infrastructure projects and the implementation of a program for the improvement of the border-crossing procedures.

(For a detailed account of the work of the Technical Secretariat, please refer to the Activity Report submitted to the Committee. The questionnaires used for its works are included in the report as Annex II.)

5. Mr. Dorries from Germany wondered whether it would be possible to have an exchange of information and of the database material with Corridor IV, but admitted that this depends firstly on the completion of the database of Corridor X and data delivery provided by the Secretariat. He brought up an additional aspect to the meeting, by asking about the differences between actual traffic and forecast traffic of goods and passengers on Corridor X.
6. Mr. Patsiavos, pointed out the compatibility between Corridors IV and X and Pr. Taxiltaris mentioned that the Corridor X model of questionnaires has been transmitted to

the Secretariat of Corridor IV, in order to exchange technical views, and the undertaking was characterized as “very fruitful”. As for the database, he said that all data are public and at the disposal of anybody interested. However, when it comes to traffic flows, he stressed the fact that, according to the Work Program, the Technical Secretariat of Corridor X surveys the existing situation and the plans for the development of the Corridor X elaborated and presented by the participating countries. Any forecast data, which might be provided by individual countries, is included in the report.

7. Mr. Adelsberger, the delegate from Austria, noted that it is important to see the interaction between the Adriatic Corridor, Corridors X, IV and VII – the latter being the waterway of Danube. He suggested that financing of Corridor X should be seen in a broader regional perspective, since it is one of the axes that will serve the transportation needs of Southeastern Europe. He also asked all delegates to distinguish between the long term and short-term development of the project: long-term development is based on reliable data, while short term is based on present needs and capacity to serve them immediately.
8. Mr. Patsiavos intervened to say that all these issues are under consideration, with primary concern on financing. He suggested first that the terms of reference should be determined and afterwards financing options through IFIs to be investigated. As for the traffic flows data, he reminded the participants that NEA studied similar data for TINA, a project financed by the European Commission. He suggested that a wise step would be national studies on the question, something that could be discussed in the next meeting. As for the co-examination of the three Corridors connecting Southeast Europe (SEE) to Central and Eastern Europe (CEE), he mentioned the possibility for the creation of a special task force.

Agenda item 6: Presentation of the status of Pan European Corridor X – Physical and Operational Characteristics

9. Pr. Mintsis presented the data on the physical status of the rail and road parts of Corridor X, collected through questionnaires, on-site visits and status reports submitted to the Technical Secretariat by each participating country. He presented tables representing the physical characteristics of each section, their development and the estimated time of

completion, the length of the corridor, as well as their maintenance situation. In the second part of his presentation, he noted that most countries estimate that the road section of the corridor will be finished by 2005 or 2006, in general 5 years earlier than the rail axis of the corridor. He also brought into the attention of the participants the fact that bottlenecks often occur due to physical constraints in areas where the terrain is difficult – especially for railways - and that delays are not due to a lack of efforts in terms of construction. However, he stressed that there is a lot of work to be done at border crossing points.

(For a detailed account of the physical characteristics of the corridor, please refer to the activity report submitted to the Steering Committee by the Technical Secretariat, chapter on the “Status report of the pan-European Transport Corridor X”, p.p. 1-17, 25-38, as well as Annex III, which includes the entities concerning the road axis and the respective type of data of their elements.)

10. Dr. Basbas talked about the operational characteristics of the existing situation on Corridor X, namely speed, traffic, safety, running times, number of passengers and reliability, noting that the goal was not to make comparisons between countries and that high values of some operational characteristics don't necessarily represent poor services of the railways system. In his presentation on the situation of the road system he elaborated on questions of the level of maintenance in each country, traffic, number of private cars crossing tolls and using highways and on safety.

(For a detailed account of the operational characteristics of the corridor, please refer to the activity report submitted to the Committee by the Technical Secretariat, chapter on the “Status report of the Pan-European Transport Corridor X”, p.p. 18-24, 39-48, as well as Annex III, which includes the entities concerning the road axis and the respective type of data of their elements.)

11. Mr. Patsiavos intervened again to thank the speakers for their work and note that remarks and comments on the work of the Technical Secretariat may be submitted until April 30th after all and not April 20th, but urged all participants to provide complete data.
12. Mr. Dorries from Germany noted that he would like to see a discussion of more general aspects, for instance of accidents. He said that for Corridor IV accidents are not estimated as a percentage on the basis of the section where they occur, but they are related to traffic

volume – both for rail and road. He therefore suggested that safety indices are not defined in terms of kilometric distance, but in terms of traffic volume. He also mentioned the question of tolls and other charges. He inquired what is the total cost for a truck running on Corridor X compared to that using the Adriatic Corridor – or any other Corridor for the matter. Last, he suggested that information should also be collected on what each country is expecting in terms of traffic and transport in the medium and long-run.

13. Mr. Patsiavos explained that certain data on fees and charges are missing, which is the reason why the Technical Secretariat insists so much on prompt feedback from all delegations, along with comments for the improvement of the Technical Secretariat's works.
14. Pr. Taxiltaris commented on the size of costs, noting that they are not limited to tolls alone, but also include high fees for border crossing points, different for each country. As far as accidents are concerned on Corridor X, consideration should be also given to physical reasons and technicalities and "black spot" areas. The Technical Secretariat is willing to produce reports on accidents as a percentage of traffic flows, but data on traffic flows is not completed yet.
15. Mr. Dionelis reminded the participants that the works of the Secretariat do not start from zero, since the E.U. has produced studies under the PACT program, in which comparative costs studies on combined axes compared to other corridors have been produced, which only need to be updated. His second remark was on the actual demand for works on the Corridor reflected in the data and suggested that any works on the corridor should be justified and reflected in the data collected. He wondered whether we really need to have a double rail line throughout the whole Corridor X, or whether extensive improvement works on the road axis are justified by the traffic.
16. Mr. Patsiavos noted that costs at the time of the PACT survey may be adjusted to current costs and this would enhance the work of the Technical Secretariat.
17. Pr. Mintsis intervened to note that the work of the Technical Secretariat is descriptive by nature. Its role is to produce ideas for the authorities, which are going to be used for further proposals, plans and future development. As for the urgency to have a complete

database, the data collected will provide a full and exact picture of the Corridor X, and therefore its future development will be decided upon by the authorities faster and more easily.

18. Ms. Hadjiemmanouel brought in her practical experience from the meetings of the PRO-Committees of SECI, to note that costs vary among countries and sections. There are fixed costs, but there are also variant fees for companies. She suggested that studies of the World Bank on the Transport and Trade Facilitation in Southeast Europe (TTFSE) program, the E.U. and SECI are related to the minimization of a portion of the costs involved and agreed that further information can be collected through these works and be included in another report.
19. Mr. Adelsberger from Austria talked about a research in his country showing that the basic criterion for transportation of goods is cost, then comes reliability and safety, and then time and speed.
20. Ms. Palcic from Croatia suggested that the traffic safety indicators should be in terms of traffic volumes, but admitted that this would be difficult, since not all data has been made available to the Secretariat.
21. Pr. Taxiltaris distinguished between the level and quality of service. He noted that the goal for the Corridor X is not to improve quality, but to ensure an acceptable first and stable level of service in terms of time and speed. Quality's improvement should follow. Consequently, in order to firstly secure this basic level, the Technical Secretariat is accumulating information on the needs by country and section.
22. Mr. Adelsberger elaborated on his case about reliability by bringing an example: Currently, Thessaloniki to Salzburg is 70h, give or take an hour. Reducing the travel time to 50h, but with a potential fluctuation of +/-10 hours is practically a delay of a whole day, a risk that actually increases costs rather than reduces them.

COFFEE BREAK

Agenda item 4: Presentation of the work done by the UIC Railway Working Group of the Pan-European Corridor X

23. Mr. Patsiavos opened the second part of the session by presenting the next item of the agenda, which comprised of the work done by the UIC Railway Group for Pan-European Corridor X and the South East Group of UIC High Speed Division. He invited Mr. Steininger and Mr. Floeck to inform the committee of the latest developments of the rail part of Corridor X.
24. Mr. Floeck and Dr. Steininger from Austria elaborated on their working group's experience on railway infrastructure quality and dealing with problems at border crossing points. They presented the structure of cooperation they have used in the past, which consists of a memorandum, a joint venture which is the basis for common work on control, definition, design and common interest financing of projects, and various partners in consortia to help realize the project.
25. Mr. Floeck and Dr. Steininger noted the significance of the work of the Technical Secretariat for the next steps and presented the problems of time at railway border crossings, in terms of lost competitiveness. There are 11 border crossing points on rail between Thessaloniki and Munich, making the rail trip between the two cities in 73 h, while it is 33h by road. The goal of the Committee should be to make proposal for reduction of the time and to improve the rail system, especially since the political situation allows work on the needs and capacities of the FRY. The loss of competitiveness, both transcontinental and continental has been underlined. It has been noted how essential it is to be able to use ports in order to deal with competition from the Americas and Asia. This is so because the freight sector is using many different modes of transportation (ship, rail, road, air) and it is primarily composed of commercial parts, and new companies that forward goods and passengers. There has been a loss of shares in the market, since 80% of the volume of transport takes place from North to South and only 20% from South to North. They talked about the lack of a quality system and the many different transport organizations, fees and visas and admitted the infrastructure problems in certain countries and brought up the need for a common regional and not national conception for improvement, though the establishment of commonly accepted infrastructure parameters and agreements for Corridors X and IV, as well as common standards for maintenance, loading and communications. They mentioned the need for

long-term thinking and planning, as well as realization that improvements cannot happen within 2-3 years, but rather 20-30. They focused on the need to develop administrative bodies that would improve the internal rail system and eliminating multiple border crossing points and controls. Their suggestion was to reduce the travel or running time initially to 45 hours by moving from two control points at borders to only one, then by shifting border crossing activities to other points and making a corridor of such points/knots. They explained that this is not a theoretical plan, because it is happening between Vienna and Bratislava although course it has not been easy. They suggested the creation of a common Corridor Service Center for Corridors IV and X, which would have four functions: quality management, internal controlling, knot management and trouble management. This quality system ensures the existence of clients, and the sooner it is established, the better, especially since it is ISO 9001. They suggested three ways to support Corridor X, first by organizing a meeting for opinion leaders and experts on railway transportation, second by approaching OECD and supporting its relevant activities, and last by presenting the Corridor at the Vienna exhibition later this year.

26. Mr. Patsiavos asked Mr. Floeck and Dr. Steininger to make the material of their presentation written in English, so that it can be included in the minutes. He also suggested that a study for terms of references is conducted as presented by the Austrian delegation before an analogous financing study.

27. Mr. Dorries said that at the current point operation at an acceptable and safe level is the main objective. Its improvement will contribute to the attractiveness of the Corridor both for transportation and investment. He noted that it is also useful to know in what way and to what extent administrative changes need to take place and how governments can support the works further. UIC has also produced documents for Corridors with common border crossing points, which might be useful in order to establish common standards, and it might be possible to shift control systems from the borders to another central authority. This study refers to costs and it is particularly useful for trucks, which is available in all languages.

28. Dr. Steininger presented some additional calculations to prove his point related for improving quality and reducing travel time between Thessaloniki and Munich from 75 hours to 45 hours.

29. Mr. Tzanakakis (OSE) from the High Speed Division of UIC (SE Group) made his presentation on the UIC action plan for 1997-2002, describing the improvements of already existing lines and the design of new ones, referring to meetings in Ioannina and Trieste.
30. Pr. Mintsis asked whether the UIC has produced a report on a priority axis in the region or if there are any such plans, and asked all participants to provide the Technical Secretariat with a general priority report and the data which has not been provided yet.
31. Mr. Adamantiadis, Regional Advisor on Transport for UN / ECE, described an outline of TER-TEM projects, which he distributed to the participants, concluding that there are complementarities between the two programs and that there is a need for exchange of experience and cooperation between the TER-TEM offices and the Steering Committee of Corridor X.
- (Mr. Adamantiadis submitted his report to all delegates during the works of the Committee)*
32. Mr. Steininger urged all sides to remain realistic, because Corridor X is confronting problems of all kinds, which makes it hard for the system to get working. He suggested that higher level of services to passengers should also be provided by reducing the travel time. By reducing the travel time, the Corridor becomes attractive and competitive. It is important to attract more investments, solve bottlenecks and reach the highest level of quality.
33. Mr. Adelsberger mentioned again the problem of many border-crossing points, which cause unnecessary delays.
34. Mr. Patsiavos thanked everyone for their contribution and broke the session for lunch.

LUNCH BREAK

Agenda item 6: Financing Opportunities

35. Ms. Hatziemmanouel presented some questions regarding financing for works and feasibility studies, including funding from the Stability Pact and EBRD. She also presented the Trade and Transport Facilitation in Southeast Europe (TTFSE) program of the World Bank and the E.U.

(Included in the Activity Report of the Technical Secretariat, chapter entitled: “Financing Opportunities”)

Supplementary information material concerning the possibilities for the involvement of various IFIs was given to all delegations by the Technical Secretariat.

36. Mr. Patsiavos noted that the works of various initiatives should to be examined in next meetings. He also referred to a proposal made by the Greek Minister of Transport and Communications, Dr. Verelis, during the Ministerial Meeting on the previous day. This concerns the involvement of a Financial-Economic Consultant with great international experience in financial issues of transport infrastructure projects. The role of this consultant should be to set up financial scenarios for all sections of the corridor that do not receive funding from international organizations, and his tasks would include communication with IFIs for financing of the whole corridor, the preparation of the necessary applications for financing, assisting the countries with such issues, and involving the private sector in all phases of the development of the Corridor, proposing the establishment of the appropriate legal and financial conditions that would facilitate the private sector development. He suggested to consider this proposal and decide about it at the next meeting.

37. Mr. Dorries noted the significance of funding from IFIs, since the countries through which Corridor X passes need financial resources. He wanted the Committee to elaborate extensively on the issue of “financial consulting” in advance. He also said that before the evaluation of each project, it is important to come to an agreement about the minimum standards, as well as to decide on projects financially not viable. He thought that solutions should not be very expensive and that the projects with higher economic viability and sustainability should be preferred, but they should be selected on the basis of consensus, on a regional basis and not by each country individually.

38. Mr. Patsiavos noted that a communication channel on these issues is maintained with all countries, but we must always act in accordance with national legislation and common agreement. The chosen infrastructure projects depend on traffic flows, which we have agreed to study, as well as the resources for this investigation.
39. Mr. Tzanakakis inquired about the sections that need to be upgraded and what standards are going to be used for their improvements, because these standards need to be common.
40. Mr. Patsiavos said that this aspect is covered by the interoperability clause of the MOU, and it is a main task for both railways and motorways.
41. Pr. Mintsis asked the participant countries to provide relevant data from each country's pre-feasibility and feasibility studies, in order to enhance cooperation.
42. Mr. Patsiavos returned to the issue of finding a financial advisor to deal with questions of funding for the necessary studies, and promised to get back to everyone accordingly.

Agenda item 7: Border crossing facilities, procedures and operation

43. Ms. Hadjiemmanuel made her presentation on the cross-border problems and potential improvements.
(Included in the Activity Report of the Technical Secretariat, chapter entitled "Border crossing facilities, procedures and customs cooperation")
44. Mr. Patsiavos noted the importance of performing on-site visits in certain border crossing points of the Corridor in order to collect the necessary information, something that will be possibly done within the next months.
45. Mr. Adelsberger noted that the cross-border presentation provided by Ms.Hadjiemmanuel is a short term oriented approach because it describes means to maintain the existing stations and improve the existing infrastructure and human resources. On the other hand, he suggested that his colleague's contribution and suggestions about changing structures, creating the knots and transferring customs control along Corridor X was a very useful approach aiming radical changes of the border crossing procedures and controls.

46. Mr. Patsiavos intervened to note that there are political issues concerned, as each country has to decide whether to keep the existing formats of border control, because it is a matter of sovereignty that we do not wish to bring up in the Balkans. However, he agreed that this is one of the eventual but long-distance objectives.
47. Dr. Steininger commented that he was referring to a methodology adopted by UIC, applied in 65 border crossing stations in CEE and in the railway sector. His opinion was that attention to the national systems should be paid, but we should always have in mind the economic system and competitiveness, in order to be able to think ahead from step one (improving existing infrastructure) to step two (changing structures).
48. Mr. Dorries thought that both approaches are useful, but noted that it is also important to find solutions for traffic transit, which is different from bilateral border crossings. He suggested that documents should be simplified, and customs procedures should be common.
49. Pr. Taxiltaris agreed with Mr. Dorries, as far as the short term approach regarding transit is concerned.
50. In reply to Mr. Dorries' request for simplification of procedures, Ms. Hadjiemmanouel noted that SAD is a simplified document that has already been adopted by the European Union and it is already being implemented.

Agenda item 8: Presentation of the information system developed by the Technical Secretariat

51. Mr. Milios presented the GIS and Database and Mr. Miltiadou presented the Technical Secretariat's website. (please refer to the activity report submitted to the committee, chapters "Design and development of databases and Geographical Information System {GIS} of Corridor X" and "Website of the Pan-European Transport Corridor X").

52. Mr. Tzanakakis suggested that the Technical Secretariat could make use of the UIC software on rail, which is very analytical (URAIL datamap) and could probably prove to be very useful.

53. Regarding the website, Mr. Taxiltaris noted that updating will much depend on the feedback received from each country committee.

Agenda item 9: Coordination of further activities and time schedule

54. Regarding the organizational aspects of the Committee's work, Mr. Taxiltaris said that the Technical Secretariat is expecting comments for the database by April 30th, it is elaborating on the terms of references for studies proposed (by the end of August), and is also working on interoperability aspects. The Technical Secretariat will further cooperate with other institutions like the UN/ECE and other organizations, it will also elaborate on the public-private partnership schemes and will work to accumulate further information on cross-border, traffic flows and costs along the Corridor X.

(The Work Program for the development of Corridor X is included as Annex I in the Activity Report of the Technical Secretariat submitted to the Steering Committee Meeting.)

The list of the scheduled activities of the Technical Secretariat is presented below:

- Comments, by the members of the Steering Committee, on the database; to be transmitted to the Technical Secretariat before the 30th of April 2001.
- Presentation by the Technical Secretariat of terms of references for new studies.
- Utilization by the Technical Secretariat of data concerning all the relevant aspects of interoperability (infrastructure, operation, financing, border crossing). This action should be carried out on the basis of a complementary specific survey if needed.
- Presentation of indicative P.P.P. schemes in transport infrastructure and operation.
- Implementation (potentially) of a program of specific expertise for the registration, under real conditions, of the border crossing procedures and the respective delays.
- Information on traffic flows and costs along the Corridor X.

Agenda item 10: Other Business

55. Mr. Patsiavos noted that it is essential to exchange information and coordinate activities among the country committees, especially since the Steering Committee has agreed to investigate for a financial consultant and financial resources for a traffic flow study. He also asked the Committee to extend its confidence to the Greek Chairmanship for three more years. He also suggested that meetings should take place twice a year
56. Ms. Palcic noted that fully supports renewing the Greek Chairmanship.
57. Mr. Patsiavos suggested that meetings take place twice a year and are hosted by other countries as well.
58. Mr. Adelsberger, even though surprised, agreed and expressed his wish to increase cooperation on rail issues and collaborate within the UIC framework to exchange experiences.
59. The Yugoslav delegate also supported the Greek request to continue its work.
60. The Greek Chairmanship for the next three years has been unanimously approved and the next meeting was scheduled for the end of October 2001 in Thessaloniki.