The Budapest- Cluj Napoca – Bucharest High Speed Railway Connection

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• The National Law no. 203 from 16th of May 2003 concerning the construction, development and modernization of national and European transport, republished in 2005, states that high speed rail network will be realized after 2015, depending on arrangements with neighbouring countries. In this regard, the Ministry of Transport has initiated and developed multiple initiatives at international level to start and conduct discussions about high-speed line *Budapest - Bucharest - Constanta*, as an extension of high-speed axis *Paris - Strasbourg - Stuttgart - Vienna - Bratislava - Budapest*.

• In **November 2007** the Governments of Romania and the Republic of Hungary adopted in Sibiu, in joint session, two joint statements of the Ministry of Transport from Romania and the Ministry of Economy and Transport Republic from Hungary. First Joint Declaration refers on achieving a high-speed rail line route *Budapest - Bucharest - Constanta*, as an extension of high-speed axis *Paris - Strasbourg - Stuttgart - Vienna - Bratislava - Budapest*.

• The Ministry of Transport from Romania has prepared and submitted in **September 2008** official letters to ministries of transport from Hungary and Austria, which called for the involvement of the MAV and ÖBB railways companies as project partners by signing a commitment to participate in the *Transnational Cooperation Programme South East Europe 2007-2013* to achieve the pre-feasibility study for a high speed projects in the region of SEE of Europe (tracks and costs). The first trilateral meeting of the Romanian-Hungarian-Austrian Experts Working Group, on the pre-feasibility study that took place in Bucharest from **September 30 to October 1 2008**. The parties agreed that the pre-feasibility study will consist of three parts, one for each of the three countries involved. The specialists sought of some alternative financing solutions for the realization of studies and technical projects (SEE programme, TEN-T programme and the SOP-T programme – for 2007-2013 period).
The European vision for the railway transport

The European Commission's new White Paper on Transport (A roadmap for a single European space transport - Towards a competitive and efficient transportation system in terms of resources, published by the European Commission in March 2011) identify new solutions and medium and long term strategies, from the years 2020-2030 and with the time horizon 2050. The most important are:

- multimodal transport systems,
- promotion of freight transport railways on medium and long distances,
- created dedicated freight corridors,
- triple the high speed railway lines,
- Implementation of a TEN-T multi-modal and fully operational "primary network" throughout the EU until 2030.
EU Regulation no. 1316/2013

- **RHINE-DANUBE CORRIDOR** (Wien/Bratislava – Budapest – Arad – Brasov / Craiova – Bucuresti – Constanta – Sulina)

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The New EU policy for Transport - Pre-identified projects for 2014 – 2020

- **Wien – Bratislava / Wien – Budapest / Bratislava – Budapest Rail** - studies high speed rail (including the alignment of the connections between the three cities)
- **Budapest - Arad Rail** - studies for high speed network between Budapest and Arad
- **Arad - Brasov - Bucuresti - Constanta Rail** - upgrading of specific sections; studies for high speed
The HU-RO HSRL route from EU regulation no 1315/2013

(Budapest - Kecskemet) - Szeged - Arad – Timișoara – Sibiu – București.
In the PROTOCOL of the 6th Session of the Hungarian-Romanian Joint Economic Commission from Budapesta (15/07/2014) the subchapter „5.4. Development of the railway infrastructure“ within the Chapter "5. In the field of transport " was established in the following form:

"The parties agreed that the possible bilateral cooperation for the following activities will be analyzed in joint technical commissions:

a) joint analysis of railway and road mobility studies for the Romanian-Hungarian border area in the period 2014-2020, in order to establish investment priorities in the field of railway infrastructure;

b) jointly establishing the proposals for crossing points of the Romanian-Hungarian common border for the project of the Budapest - Bucharest - Constanţa high-speed line;

c) promoting the financing of European funds in Romanian-Hungarian partnership within the TEN-T central network of the feasibility studies of the Budapest - Bucharest - Constanţa high-speed line."
Hungarian and Romanian HS joint project

Magyarország vasúti térképe

Hungary

Budapest

Szeged

Debrecin
Route variants for the construction of the high speed line Budapest - Bucharest

Variante de traseu 2018 pentru Linie de Mare Viteză București – Budapesta

- Budapesta-Debrecen
- Zalău
- Cluj-Napoca
- Târgu Mureș
- Sibiu
- Sibiu
- Pitești
- București
- București
- Arad
- Timișoara
- Deva
- Pitești
- București
In March 2018, in Budapest, the Minister for Innovation and Technology from Hungary and the Minister of Transports from Romania discussed about the realization of the feasibility study for the construction of a high-speed railway line between Budapest and Cluj-Napoca proposed by the Hungarian side. The Ministry Of Transport from Romania has proposed an alternative to the route proposed by the Hungarian side, namely Budapest - Püspökladány - Debrecen - Zalău - Cluj-Napoca, but with the extension Cluj Napoca - Sibiu - Bucharest, as the Romanian side is already developing a feasibility study for modernization of the railway line Cluj-Oradea-Episopia Bihor, financed from European funds.

In October 2018 another meeting at ministerial level took place in Bucharest with following subjects: a letter of intention and the draft of terms of reference for the acquisition of the services for elaboration the elaboration of a Feasibility study for the construction of a high-speed railway line between Budapest and Bucharest. The parties agrees to prepare a memorandum of understanding in order to assure the conditions for the Hungarian consultant to realize the studies necessary for the Feasibility study.

The text of the MoU was agreed in April 2019 and the next meeting it is planned to be organized in Budapest.
The Hungarian side will:
• ensure the financing of the feasibility study for the construction of the high-speed railway line between Budapest - Cluj-Napoca - Bucharest within the means provided by the decision of the Hungarian government,
• designate the consultant to elaborate the feasibility study for the construction of a high-speed railway line along the Budapest - Cluj-Napoca - Bucharest route according to the relevant procurement rules, provide technical, institutional and administrative support to the consultant in developing technical and economic analyses on the section between Budapest and the Hungarian-Romanian state border.
The Romanian side will:
• provide technical, institutional and administrative support to the consultant in developing technical and economic analysis on the section between Bucharest and the Romanian-Hungarian state border.
• provide the consultant with necessary data for the field surveys (topographical, geological, hydrological and other), the specific data on the existing road, rail and air traffic, the data regarding the forecasted traffic resulted by implementing the proposed project and the data about the economic, social and environmental situation at national level.
• The Parties will set up the Hungarian-Romanian Working Group for the preparation and implementation of the project for the construction of a high-speed railway network between Budapest - Cluj-Napoca - Bucharest.
• The Working Group will have as its primary objective to:
  (1) analyse the consultant’s conclusions on the feasibility study for the construction of a high-speed railway line along Budapest - Cluj-Napoca - Bucharest route and the proposed variant(s) for the execution of works,
  (2) propose to the Governments of the two States the optimal variant for the design and execution of the high-speed line,
  (3) identify the possible sources of funding for the design and execution of the high-speed line.

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• In order to facilitate its activity and effectively solve the specific problems, the Working Group may, if deemed necessary, establish subgroups of its members and other specialists from the public institution and public authorities of Hungary and Romania, able to provide technical, financial, environmental, legal and social support, including specific data on the existing road, rail and air traffic, as well as data regarding the forecasted traffic resulted by implementing of the proposed project.
High speed railway line Bucuresti – Craiova – Timisoara – Cluj Napoca is on the List of strategic investment projects to be prepared and assigned in public-private partnership by the National Commission for Strategy and Forecast (under the authority of the Romanian Government) approved by the Governmental Decision no. 357 from 24 / 05 / 2018.
Design-Build (DB) or “Turnkey” contract: The private sector designs and builds infrastructure to meet public sector performance specifications, often for a fixed price, so the risk of cost overruns is transferred to the private sector. (Many do not consider DB’s to be within the spectrum of PPP’s). Engineering, Procurement and Construction (EPC)

Service Provision contract: A private operator, under contract, operates a publicly-owned asset for a specified term. Ownership of the asset remains with the public entity and the private entity contracts to manage a Government owned entity and manages the marketing and provision of a service.

Management contract: Lease and operate contract: A private operator contracts to lease and assume all management and operation of a government owned facility and associated services, and may invest further in developing the service and provide the service for a fixed term.

Design-Build-Finance-Operate (DBFO): The private sector designs, finances and constructs a new facility under a long-term lease, and operates the facility during the term of the lease. The private partner transfers the new facility to the public sector at the end of the lease term.

Build-Operate-Transfer (BOT): A private entity receives a franchise to finance, design, build and operate a facility (and to charge user fees) for a specified period, after which ownership is transferred back to the public sector.

Buy-Build-Operate (BBO): Transfer of a public asset to a private or quasi-public entity usually under contract that the assets are to be upgraded and operated for a specified period of time. Public control is exercised through the contract at the time of transfer.

Build-Own-Operate (BOO): The private sector finances, builds, owns and operates a facility or service in perpetuity. The public constraints are stated in the original agreement and through on-going regulatory obligations.

Build-Own-Operate & Transfer (BOOT): The Private Sector builds, owns, operates a facility for a specified period as agreed in the contract and then transfers to the Public.

Operating License: A private operator receives a license or rights to build and operate a public service, usually for a specified term. Similar to BBO arrangement.

Finance Only: A private entity, usually a financial services company, funds a project directly or uses various mechanisms such as a long-term lease or bond issue.
Lessons learned about high speed systems from international experience

Integration
- HSR has the effect of encouraging reviews of how other modes will meet: future transport demand, economic development and policy objectives. Integration ensures that HSR complements existing transport modes.
- Lesson learnt: HSR must support complementary transport services.

Capital costs
- There are only a few examples of a HSR service fully recovering capital costs, except in the very long term. Operation and maintenance costs may be self-funding, but infrastructure costs are unlikely to be fully recoverable without a significant government contribution.
- Lesson learnt: capital costs are unlikely to be recovered.

De-congestion of existing transport systems
- A benefit of HSR is that it provides an opportunity to reallocate inter-city patronage demand and improve capacity on existing constrained regional rail systems. This provides an opportunity to create capacity for new commuter or freight services.
- City-to-city HSR links can ease congestion created by short-distance flights.
- HSR projects can benefit freight operations by creating additional capacity on existing networks.
- Corridor planning should consider space provision for regional and freight services.
- Lesson learnt: HSR can optimize infrastructure performance.

Support for regional land use goals
- HSR programs represent an opportunity to transform cities and regions over a long time period.
- Properly planned, HSR should link regional centers to major metropolitan areas and provide significant development opportunities.
- If properly integrated into a transport system, population and economic growth can be directed to support regional land use planning goals.
- Lesson learnt: HSR stimulates regional development.

Source: UIC High Speed Railway System Implementation Handbook
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