Dear Ms Adina Valean
Commissioner for Transportation
Email: cab-valean-contact@ec.europa.eu
Address: Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium
Lisboa, 26 July 2024

Subject: lack of interoperability in new rail lines in Portugal co-financed by the EU

We have learned by declarations of the Administration of IP (the company that administrates the portuguese rail network) and portuguese media (https://cnnportugal.iol.pt/bitola-europeia/bitola-iberica/portugal-vai-pedir-medida-de-excecao-a-bruxelas-para-usar-bitola-iberica-no-tgv/20240627/667a9dbdd34ebf9bbb3f08e4?utm_source=whatsapp&utm_medium=social&utm_campaign=shared_site) that the Portuguese government is going to ask to the EU Commission to postpone the deadline for the introduction of the UIC gauge (also designated as european or standard gauge) in new railway lines in Portugal under article 17.5 of the new "Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network, amending Regulations (EU) 2021/1153 and (EU) No 913/2010 and repealing Regulation (EU) No 1315/2013" which has been coded as REG. 2024/1679 becoming effective since 18 /07/2024.

This request is in line with the hypothesis that support the Portuguese PFN (National Railway Plan) whose vision for the next 30 years include to maintain the exclusivity of the Iberian gauge in the portuguese rail network and PNI 2030 (https://www.portugal.gov.pt/pt/gc21/comunicacao/documento?i=programa-nacional-de-investimentos-2030) - investment Programme of the Portuguese Government in Infrastrutures up to 2030, for which some of the subscribers of this letter have alerted you in a letter dated 21/9/2020. This request is also in line with the view expressed by two previous Infrastructure Ministers in 2018 (Pedro Marques) and 2022 (Pedro Nuno

Santos) that the exclusivity of the Iberian gauge serves to reduce competition in rail operation in Portugal.

All the arguments, that are referred in the above site as the ones the portuguese government is going to use to justify to postpone the UIC gauge, derive from the inconveniences or operating costs due to the existence of a transition phase in which both rail gauges (UIC and Iberian gauge) will coexist in the portuguese rail network. You can also confirm this on the answer to question 2 of the attached document, entitled “Dez perguntas e respostas essenciais sobre a Alta Velocidade”.
If the EU accepts these arguments now, how can it refuse them later, as they will continue valid in the future? This means the acceptance of these arguments will justify delaying indefinitely the introduction of the UIC gauge in Portugal. This situation will shed the discredit upon EU transport policies, as it means any temporary inconvenient of the proposed change can justify not to do the change ever. Besides, some of the arguments present in the above link are ill founded, as demonstrated in Annex 1 to this letter.

The Portuguese Government (the previous one) and IP also have used other arguments to justify not using the UIC gauge in the new lines, but those arguments are all ill-founded, as you may confirm in the following paper https://www.linkedin.com/pulse/ferrovia-bitola-economia-e-falta-de-sentido-estado-m%C3%A1rio-lopes-c0ppe/?trackingId=ArfjBawgRYWXJihUeM2lmg%3D%3D.
Some of these arguments are referred to in more detail (and in english) in Annex 2 to this letter.

Adding to the above, **the strategic issues are completely forgotten in the Government and IP analysis**: the consequences of the delaying of the UIC gauge in Portugal, indefinitely or by a few decades, will have terrible consequences for the portuguese economy, as follows. Nowadays approximately 70% of the portuguese foreign trade is done with other european countries, and in value, 80% is done by road. This is completely unsustainable due to the environmental and energy constrains that mankind faces, and EU policies to ensure the sustainability of the transport system in Europe. These ones are based, to a large extent, on large modal transfer to the more sustainable transportation modes, the maritime and the railways.

Eight years ago, CIP (the Portuguese Association of Entrepreneurs, https://cip.org.pt/ and https://www.businesseurope.eu/members/cip-confederacao-empresarial-de-portugal, a member of Business Europe, https://www.businesseurope.eu/) made an enquiry to the portuguese companies about the consequences of maintaining the current railway policies, assuming that they would be forced to use the maritime mode, for the trade with the EU except Spain (see Annex II of https://cip.org.pt/wp-content/uploads/2017/12/Conselho_Industria_Portuguesa_final-LR.pdf). The inquiry showed the results would be catastrophic, Portugal would lose almost completely the capacity to attract industrial investment, many industrial companies for which access to EU markets is relevant would leave the country and others would only survive with policies of low salaries. This will condemn Portugal to be the poorest country in the EU.

You will realize that the medium and long term strategic issues related to the impact on the competitiveness of the portuguese economy will deliberately be left out of the Cost Benefit Analysis that the portuguese government will present to the EU Commission to justify the construction of new lines in iberian gauge. You can antecipate this on the answer to question 2 already referred to, that states the advantages of doing the line in Iberian gauge without comparing with the disadvantages to the portuguese economy.

The situation was summarized by the former portuguese industry minister Mira Amaral (1985-1995), that stated the following about the Portuguese railway plan (PFN) based on maintaining the exclusivity of the iberian gauge: “este PFN não é um erro ferroviário, é antes um crasso erro económico, consubstanciado numa visão chocantemente doméstica da nossa economia esquecendo a necessidade duma logística eficiente que permita a um país fisicamente periférico em relação ao centro da Europa tornar competitivo o transporte de mercadorias para os mercados europeus”, which can be translated as follows: “this PFN is not a railway error, is a crass economic error, based on an appalling domestic vision of our economy forgetting the need of an efficient logistic system that allows a country peripheric in relation to the center of Europe to have competitive freight transport to the EU markets”.

The issue of rail full interoperability is not a short term issue. If we forget the future and think only in the short term, say the next ten years, the investment in the UIC gauge, as well as many investments associated to EU policies to ensure the sustainability of the transport system in the EU, are not justified. However, if we care about sustainable development and the economic future of Portugal and of the EU, as well as the Cohesion of the EU, investment in rail interoperability is fundamental.

Therefore, we ask the EU Commission to do not accept any postponement of the introduction of the UIC gauge in new rail lines to be built in Portugal and partially financed by the EU Commission. We are also concerned about the exclusive use of the Porto-Lisbon line for passengers, in contradiction with the priorities defined by the new regulation in articles 12.1.a and 13.a, which foresee the merger of European passenger and freight corridors. The use of this line for freight transport is a matter of efficiency of the use of the infrastructure as well as a critical issue for portuguese exports from most of the country outside the zones where future east-west international lines terminate, as the new Lisbon-Porto line will be the main connection of these zones to the international lines.

These are “decisions of today, for a lifetime”, as recently stated by the Portuguese Minister of Infrastructures about the new Lisbon-Porto high speed line in Iberian gauge and for passenger traffic only (as you can observe in the attached document entitled “Entregues propostas para concurso do 1.º troço da LAV Porto-Lisboa”). Regarding the very recent decision of the EU Commission to finance the first part of the new high-speed line Lisbon-Porto with CEF Funds: if it was done without imposing that the line is in UIC gauge by 2030, it is a huge error. In this condition it would provide an excuse to justify to complete the whole line in Iberian gauge, what, in turn, will probably lead to the delaying of the introduction of the UIC gauge in Portugal for several decades.

We don´t ask for any reply to this letter, we just ask for the best decisions for the future of Portugal and of the EU. The authors are available to clarify any issue that you may find relevant.

Mário Lopes - ex President of ADFERSIT, ex coordinator of CIP work group on “Port and rail Infrastructures”

Arménio Matias - founder and 1st President of ADFERSIT (former ADFER), ex Administrator of CP[1] and RAVE

Manuel Moura - 1st President (CEO) of RAVE, ex Administrator of CP[1] and ex President of ADFERSIT

Ernesto Martins de Brito - ex President of CP

Joaquim Polido - ex President of FERNAVE and ex President of ADFERSIT

António Teixeira - ex Director of Transportation Infrastructures of COBA, Engineering and Environmental Consultants

José Couto - President of AFIA and CEC

Rogério Hilário – Vice-President of CEC

Tomás Moreira - Honorary President of AFIA

Fernando Castro – President of AIDA

Luis Miguel Ribeiro – President of of the Executive Board of AEP

António Poças da Rosa – President of NERLEI

Jorge Santos – ex President of NERLEI

José Augusto Felício – ex President of the Advisory Board of ADFERSIT, university professor

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Carlos Sousa Oliveira – university Professor

Rui Carrilho Gomes – university Professor

Pedro Albuquerque – aerospace engineer

Fernando Mendes – electrotecnic engineer, entrepreneur

João Duque – university Professor

João Luis Mota Campos – ex Secretary of State for Justice

Henrique Neto – entrepreneur, ex candidate to the Presidency of the Republic

[1] At the time, CP managed both rail operations and rail infrastructure in Portugal

ADFERSIT (Portuguese Association for the Development of Integrated Transport Systems, https://adfersit.pt/)

ADFER (Portuguese Association for the Development of Rail Transport)

RAVE (former manager for the development of the portuguese high speed rail network, 2000-2011, now part of IP)

EMEF – company that managed maintenance of rolling stock in Portugal

CP (Comboios de Portugal, state rail operator, https://www.cp.pt/institucional/pt)

FERNAVE (Group CP, https://fernave.pt/quem-somos/sobre-nos/

COBA (Engineering and Environmental Consultants, https://www.cobagroup.com)

AFIA (Association of Manufacturers for the Automotive Industry, https://afia.pt/)

CEC (Entrepreneurs Council of the Centre, https://cec.org.pt/)

AIDA (Industrial Association of Aveiro District, https://aida.pt/)

AEP (Entrepreneurs Association of Portugal, https://www.aeportugal.pt/pt/home)

NERLEI (Entrepreneurs Association of the Leiria Region, https://www.nerlei.pt/)

Annex 1 – The temporary nature of the arguments against the UIC gauge

1. The construction of the Lisbon-Porto line would increase the cost of the actual project in about 3 000 million euros

The calculation of this number and the assumptions done for that purpose are not known. But since building the line in Iberian or UIC gauge has the same costs, the reason has to be associated to the construction of other segments of line not necessary if the line is in Iberian gauge. The Portuguese government has divided the Lisbon-Porto line in four segments, with no plans for the construction of the most southern segment, from Carregado (about 30km north of Lisbon) to Lisbon by the northern side of the Tagus river. This a very mountainous zone, in which the rail platform will be made mainly in tunnels and viaducts and due to which the construction of this segment is likely to cost more than 1000 million euros (estimate done 14 years ago). This segment is identified by a blue line in figure 3 of the article available at

https://www.linkedin.com/pulse/optimiza%C3%A7%C3%A3o-do-projecto-nal-em-alcochete-m%C3%A1rio-lopes-qzuse/?trackingId=cxfQTK4gSS2VnYiSigvsjA%3D%3D

Also, since the decision about the location of the New Lisbon Airport in the zone slightly north of the green dashed line in the same figure was taken, IP has said that a direct connection of the Lisbon-Porto high speed line to the airport can be established building an alternative line from Carregado to Lisbon, represented by the green line up to a junction with the future Lisbon-Madrid line shown in red in the above-mentioned figure 3. If the Lisbon-Porto line is in iberian gauge, the construction of these two segments can be postponed (not avoided) and the connection from Carregado to Lisbon can be done by the existing Northern line, in Iberian gauge, if some enlargement works are done. If these enlargement works are delayed due to the existing strong popular opposition to that enlargement (from two to four tracks) in Vila Franca de Xira, the resulting bottleneck may compromise the efficiency and business model for the whole rail operation on the new Lisbon-Porto line.

We suppose that more than 90% of the savings that IP says can be done by adopting the Iberian gauge in the Lisbon-Porto high speed line refer to the postponement of the construction of the two segments referred. However, it has been proposed since 2009 by ADFERSIT (https://adfersit.pt/) an Association of engineers and managers of the

transport sector in Portugal, an alternative path for the southern half of the Lisbon-Porto high speed line: it approaches Lisbon from the north by the flat zones (note that the cost of high speed lines in mountainous regions can be more than 10 times the cost of a similar line in flat zones) on the left side of the Tagus river, and enters Lisbon using the western segment of the Lisbon-Madrid line, west of the airport, where both lines would merge. This line is shown in red in figure 5 of the above referred paper. The cost of construction of this segment of the Lisbon-Porto line from the common point with the line chosen by the government (the yellow line in Figure 5), is similar or probably less than the cost of the line chosen by the government from the common point to Carregado. Therefore, the optimization of the path of the Lisbon-Porto high speed line would be enough to reduce almost to zero the additional cost of building the line in UIC gauge, besides avoiding the need to spend that money in the future. The reason why IP insist on the most expensive choice for the path for the southern half of the Lisbon-Porto line is a decision taken in 2007, when two locations for the New Lisbon Airport were under analysis: if the airport would be in Alcochete, as was recently confirmed, the Lisbon-Porto line would have to pass in the alternative airport location, Ota, near Carregado, where, in this condition, there will be no airport and therefore no rail station. As this is absurd and difficult to believe, you can confirm it on pag 3, 4th paragraph, of the following document: https://cip.org.pt/wp-content/uploads/2017/01/Ref-10.pdf.

2. The fact that the Spanish parts of the line Lisbon-Madrid are still in Iberian gauge

This is true and it is due to the portuguese policies: in fact in 2012, due to the economic crisis it was impossible for the portuguese government to build the portuguese segments of the Lisbon-Madrid high speed line, as previously agreed between both governments. But instead of postponing that investment, the Portuguese government declared it would not do that investment at all, this is, refused to meet the agreement signed at the Figueira da Foz Portugal-Spain Summit of 2003 (for the construction of 4 rail lines between both countries) on a permanent basis. The policy of the portuguese governments in recent years has been that the introduction of the UIC gauge in Portugal will only be done after lines with UIC gauge are at the portuguese border from

the Spanish side. This can be confirmed on the 2nd paragraph of page 3 of the IP document “Interoperabilidade da rede ferroviária nacional”, available at

http://www.civil.ist.utl.pt/~mlopes/conteudos/Transportes/Ref%20123%20-%20IP_Interoperabilidade%20da%20Rede%20Ferroviaria%20Nacional%20-%20%20recebido%20%20em%203Fev2018.pdf.

Therefore, the portuguese governments ensure that any spanish UIC gauge line that reaches the portuguese border will have no continuity in Portugal when construction finishes. This is a deadlock, as it is obvious that the construction of international lines requires that both countries have guarantees of continuity on the other side of the border when they finish their part, what requires an agreement for the simultaneous construction on both sides of the border. To break this deadlock the initiative must be of the portuguese government, because it was the portuguese government that decided not to respect the 2003 Figueira da Foz agreement with Spain for the construction of the international lines in UIC gauge.

We also add that the portuguese situation has no parallel to the current Finnish situation. While Finland only connects to a rail network in UIC gauge at its northwestern border, with Sweden, with little economic importance, its most important international rail connection is with Russia, that shares the same rail gauge with the Finnish rail network. Opposed to this, Portugal only border is with Spain, that already built 4000 km of lines with UIC gauge lines and is continuing that path, and both countries had an agreement to built 4 rail lines between both countries in UIC gauge.

3. The fact that if the new line is in UIC gauge it cannot be used by other existing portuguese trains in Iberian gauge that connect Lisbon and Porto to other towns outside the corridor of this line.

This situation, as well as the fact the Lisbon-Porto high speed line will be built progressively and the 1st segments could only be used after the entire line is finished, is a problem of the transition phase in which both gauges, iberian and UIC, will have to cohexist in the Portuguese rail network. This situation cannot be avoided as changing the rail gauge will never be instantaneous. The solution for this problem will probably be the use of trains and wagons of axles of variable gauge, that can circulate

in lines of different gauges, during the transition phase. These axles are not a good permanent solution for the problem of different rail gauges, as would make Portugal dependent of two spanish manufacturers, as well as creating hidden costs, for instances in the maintenance and repair of rail wagons outside the Iberian peninsula, where these axles are not used. However, despite these inconvenients, those type of axles may be very usefull during the transition phase to avoid that both freight and passengers have to change trains, to join destinations served by lines with different gauges.

Besides, this argument, on its own, justifies nothing. Conclusions can only be drawn by comparing advantages and disadvantages of using one or other rail gauge, including the indirect effects on the competitiveness of the economy.

Annex 2 – Other arguments against the introduction of the UIC gauge in the Portuguese rail network

All arguments used by the Portuguese governments to justify maintaining the exclusivity of the iberian gauge in the Portuguese rail network are ill founded. Most of these arguments are discussed, one by one, in the on-line article available at the following link: https://www.linkedin.com/pulse/ferrovia-bitola-economia-e-falta-de-sentido-estado-m%C3%A1rio-lopes-c0ppe/?trackingId=Ap1lzWfYRO23HS%2BH%2F1%2BltQ%3D%3D

From the above we just mention one argument that is used often, that "when the need to change is identified, by the conditions on the portuguese/spanish border, it will be possible to use almost all the materials, as the rails will be dismounted and mounted to the distance of 1435mm between rails (UIC gauge)". This is the translation of the second half of the 7th paragraph of point 2 of the attached government document, entitled "Dez perguntas e respostas essenciais sobre a Alta Velocidade".

What obviously is not said in the document is that during the works there will be a continuous interruption of the circulation of the trains from the beginning to the end of the works along the entire line. In the itineraries with large traffic, specially the Northern line (the existing double track line between Lisbon and Porto), this is impossible due to impact in the economy. This is the situation that will happen if the new high-speed line Lisbon-Porto is now built in Iberian gauge and later it is intended to change the gauge. Changing the rail gauge can only be done without interrupting the traffic in new lines. Therefore, now it is easy to choose the gauge of the new line, but if now it is built in Iberian gauge and the gauge change from iberian to UIC takes place only afterwards, after the traffic has increased, the same will probably be impossible without building a 3rd, temporary, railway line between Lisbon and Porto. Obviously, this waste of resources will delay almost indefinitely the gauge change.

Another argument against the UIC gauge is the fact that rail operators in Portugal have their rolling stock all in Iberian gauge. Naturally this a motive of concern for the rail operators, leading to some opposition to the change, as they feel this a competitive disadvantage in relation to rail operators from central Europe, which have their rolling stock in UIC gauge. Therefore, to ensure fair competition between rail operators, it is necessary that the EU and the Portuguese and Spanish governments provide financial

support to these operators, in order that extra expenses due to the need to change the gauge of the rolling stock are supported by the two Member-States and the EU. This must be done following specific rules to be agreed between the Member-States and the EU Commission, in order to avoid distortion of competition between rail operators.