

Avalikult Rail Balticust

MTÜ ARB

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Ms Baiba Rubesa,
RB Rail AS
K. Valdemāra iela 8,
Riga, Latvia, LV-1010

Re: Issues regarding Rail Baltica CBA

Our: 23.02.2017

Dear Ms Rubesa,

On January 16th, 2018, MTÜ ARB published the analysis of your responses dated 25 September and 13 October 2017 regarding the Rail Baltica CBA report. The analysis has been since available at <http://avalikultrailbalticust.ee/index.php?id=885> . It has now been published as a hardcover book and we are hereby glad to forward a copy to you.

According to our further analysis, the Rail Baltica project is socio-economically NOT feasible. In its currently planned alignment and extent it is detrimental to the Baltic States and ineligible for the EU support. According to the replies from INEA they have not verified the CBA report in detail and have confirmed that the beneficiary countries are responsible for the soundness of the project appraisal in line with the EU CBA Guidelines when applying for EU funding. We are concerned that most likely the ex-ante project audit would lead EU to recover the funds from national budgets of the Baltic states.

For the reasons listed above, the current project of Rail Baltica has reached an impasse. It is necessary to find a solution that is not detrimental to the Baltic States and does not contain the risk of having to repay the funding to the EU.

Unfortunately, RB Rail has failed to answer our questions, submit the calculations and sources of the CBA even though it is an obligation of yours and beneficiaries pursuant to the EU rules. We maintain our request to provide answers to our questions together with publicising the calculations and source data used in the CBA.

Please disclose the copies of the following documents that have not been entered in your document register according to the response from Mr. Jaeski (17 November 2017).

- 1) All written communication you have had with EY regarding CBA issues we have disclosed.
- 2) Any written reply you have provided regarding these issues to European Commission or to relevant ministries of the Baltic states.

Following unpublicised documents referenced in CBA

- 3) National Study RB, 2016 (Ref 10)
- 4) Unspecified document EY, (Ref 12)
- 5) Study ordered by Finnish Transport Agency in 2014 (Ref in page 89)
- 6) Freight Flow Forecasting from Arctic Sea Route and Adriatic Route to Rail Baltica Railway Line. Jüri Sakkeus, Aado Keskpaik, Erik Terk (Ref 99)
- 7) EY benchmarking study of existing freight carriers in Finland, Netherlands, Czech Republic, Germany and Poland (Ref 138)
- 8) Information provided by RBR (Ref 174 and 175)
- 9) Detailed CAPEX estimation (Ref in page 145)
- 10) Atkins "Cost Estimation, Renewal & Maintenance and Benchmarking" (2017) report

With best regards

Priit Humal
member of the board

Voluntary contributors to the CBA analysis:

Karli Lambot

Illimar Paul

Raul Vibo

CC:

Members of RB Rail AS Management Board

Members of RB Rail AS Supervisory board

Attached:

Major mistakes in Rail Baltic CBA made by EY