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Directorate-General for Mobility and Transport
Directorate B – Investment, Innovative & Sustainable Transport

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Mr Priit Humal
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By email only:
toimkond@avalikulrailbalticust.ee

Subject: Your letters dated 1 March 2018, 5 March 2018 and 6 March 2018

Dear Mr Humal,

Thank you for your letters of 1 March 2018, 5 March 2018 and 6 March 2018 to INEA and DG MOVE, which received our fullest attention. Please find below our joint answers:

A. Letter to INEA of 6 March 2018

1. RB Rail has failed to submit the calculations and sources of the CBA even though it is an obligation of beneficiaries pursuant to the CBA guide (see our conclusion 5). Please advise who should be responsible of taking care that obligation of self-containment, transparency, verifiability, and credibility is fulfilled?

As expressed in RB Rail's letter of 13/10/2017 to MTU ARB (ref 6.4/2017-1), it can be acknowledged that RB Rail is open to a truly constructive dialogue about the data available from the updated CBA with all stakeholders, including MTU ARB.

2. Rules of European Union state clearly that a project of common interest shall be economically viable on the basis of a socio-economic cost-benefit analysis. Please advise whose responsibility is to ensure that the requirements of Article 7, 2c of the EU regulation 1315/2013 are met in the case of Rail Baltica project?

It is the project promoter's responsibility to accompany project proposals for 'works' by a CBA when submitting a proposal for CEF grant. The CBA shall comply with a methodology recognised by the concerned Member State(s). (as per the Guide for Applicants, Work Programme and Call for Proposals)

3. Please advise does the new RB CBA made by EY have passed technical assessment by your external experts panel?

No, the project proposals submitted so far did not include the updated CBA performed by Ernst & Young Baltic Ltd, which was not completed at the time of the call deadlines, but the previous CBA performed by AECOM.

4. How many working days experts have spent on technical evaluation of each of the RB past CEF applications?

The experts are tasked with a batch of proposals to evaluate in a given timeframe (several days). This consists of an individual assessment and a collective evaluation. This procedure has been applied and further developed since 2007 and has proven to be robust and efficient. Experts consider the time at their disposal as sufficient.

B. Letter to Henrik Hololei of 5 March 2018:

1. What have been your activities to ensure that Rail Baltica CBA was made according to good business standard and neutral qualified persons or organizations have assessed this CBA?

The high quality standard of the CBA has been firstly ensured by RB Rail with a transparent selection for a professional and competent Contractor through an EU wide, open and competitive (5 applicants) procurement process. Secondly, the Terms of Reference of the tender specified that the methodology to be used should follow the CBA guidelines of the Commission. Thirdly, as explained in the CBA Report, the CBA analysis has been carried out in cooperation between the Contractor, RB Rail and national stakeholder representatives. A dedicated Steering Committee periodically reviewed the CBA progress and coordinated the national inputs. Furthermore, regular meetings have been held with key national stakeholders in the preparation and finalisation of the CBA.

2. Rules of European Union state clearly that a project of common interest shall be economically viable on the basis of a socio-economic cost-benefit analysis. Please advise what were your activities to ensure that the requirements of Article 7, 2c of the EU regulation 1315/2013 are met in the case of Rail Baltica project?

Same answer as for A.1. here above.

C. Letter to Herald Ruijters of 1 March 2018:

1. Since You have no reason to doubt the soundness of the EY prepared Rail Baltica Global Project CBA, kindly explain what makes You so confident that the CBA follows the methodology, includes all relevant costs, the assumptions and inputs to the calculations are not biased? After reading our analysis are You still confident that the RB CBA meets the essential requirements of CBA Guideline?

Same answer as for B.1. here above.

2. Please explain, why our analysis and conclusions 1-4 (see above) are the biased ones? Please use reasonable groundings that are based on public sources.

As stated in the previous letter dated 17 October 2017 (our reference: ARES (2017)5609474), DG MOVE has no reason to doubt the methodological soundness of the analysis of the updated CBA performed by Ernst & Young Baltic Ltd, which was conducted fully in line with Commission guidelines. The Commission is not in a position to assess your (or any similar) claims, whether they are biased or not.

3. RB Rail has failed to submit the calculations and sources of the CBA even though it is an obligation of beneficiaries pursuant to the CBA guide (see our conclusion 5). Please advise who should be responsible of taking care that obligation of self-containment, transparency, verifiability, and credibility is fulfilled?

Same answer as for A.1. here above.

4. Rules of European Union state clearly that a project of common interest shall be economically viable on the basis of a socio-economic cost-benefit analysis. Please advise whose responsibility is to ensure that the requirements of Article 7, 2c of the EU regulation 1315/2013 are met in the case of Rail Baltica project?

Same answer as for A.2. here above.

We trust this answers your questions satisfactorily.

Yours sincerely,

Herald RUIJTERS
Director DG MOVE



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