



COPING WITH FUNDING NEEDS & ENSURING FINANCIAL SUSTAINABILITY, POLICY MEASURES - D.T3.2.5

Report

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1) Introduction

Styria is an exporting industrial federal state having strong economic ties with Central Europe and Northern Europe, with Germany being the most important trade partner of Styria. Further, Styria is economically strongly related to the Adriatic Ports, which are essential gates for Styria's imports.

Consequently, implementing the infrastructure measures included in the priority list of action and the related policy measures intend to achieve the following goals:

- connecting Styria's industries sites to their export markets in Central and Northern Europe
- improving the connection of Styria to the Adriatic ports of Trieste, Koper and Rijeka
- adapting the capacity of the transshipment terminal Cargo Centre Graz to the expected raise in rail freight volumes related to the operation of the Koralm railway line
- ensuring a high-level connection of the Styrian East Railway and the industry sites located along the track with the Koralm railway line
- as a result, shifting road freight transport to rail and thus improving the ecological footprint of freight transport

The **upgrading of the Pyhrn-Schober axis** and in particular the **construction of the new Bosruck tunnel** enhances the loading capacity of rail freight trains by 50% and increases the driving speed to up to 100 km/h. Thereby the upgrading of the tunnel significantly improves the connection of Styria to the economic centres in Central Europe and the Northwest of Europe. Further, it creates an efficient rail freight connection between the economic areas of Styria and Upper Austria, which are strongly economically interconnected. As a result, road transports can be shifted to rail. At the European level, upgrading the capacity of the tunnel fosters the connection of Northwest of Europe with the Southeast European countries, establishing an efficient Alpine-South-East Core Network between Zagreb/Ljubljana and München/Nürnberg and beyond.

Following the opening of the new Koralm route, transport flows between Bruck/Mur and Graz will increase significantly, as commuter flows and long-distance travels are expected to expand and bring the present network to capacity limit. Thus, ensuring efficient rail freight transport from and to the region as well as rail freight transit, an upgrade of the **railway sections Bruck an der Mur-Graz as well as between Werndorf** (in the south of Graz) and **Spielfeld** and respectively further to **Maribor** is essential. This upgrade will further improve the connection of the Styrian economic areas to the Adriatic ports of Trieste, Koper and Rijeka. At the same time, it also strengthens the connection of the three ports to Styria and Central Europe.



A new railway line **connecting the future Koralm railway with the Steirische Ostbahn** enhances the connection of the industry region Eastern Styria towards Graz and North Italian industries as well as towards Eastern Europe. It accelerates freight transport connections and solves capacity problems by establishing a sufficient railway connection between important co-working automotive cluster industries. Further, it provides a direct and high-quality connection of the largest industrial company in the Graz area (MAGNA) to the international rail network and to suppliers in the region and thus allows for shifting road transport to rail. The upgrading of the Styrian East Railway improves Styria's connection to some important railway junctions and economic centres of Hungary as Körmend, Szombathely, Porpác, Celldömölk, Pápa and Győr. In combination with the Koralm Railway, an upgraded Styrian East Railway can provide a high-level transport connection between Italy, Austria, Hungary and, subsequently, the EU member states Romania and Bulgaria as well as the Ukraine. At best, this investment is combined with a new commuter train connection for the South of Graz (“Fernitzer Bahn”).

The **expansion of the Cargo Centre Graz Terminal (CCG)** is essential to increase the freight handling capacity for rail transports linked to the expected raise in freight volumes related to the operation of the Koralm railway.

By closing the gaps and eliminating capacity bottlenecks on the main rail network, freight transport on the subordinate network will also benefit. The improvement of the high-level rail network and the provision of related services thus directly contributes to preventing the further closing of railway lines in the subordinate network.

2) Funding needs and financial sustainability

Number and name of intervention: A.1 Construction of the new Bosruck tunnel	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	1.500.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	0 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	National: 100% ÖBB-Infrastruktur AG, based on public subsidies European: subsidies by Connecting Europe Facility (CEF): Pyhrn-Schober railway line is part of the RFC 10 “Alpine-Western Balkan” and part of the TEN-T comprehensive network
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Including the two axes via Tauern and Pyhrn-Schober into the TEN-T core network; including the new Bosruck tunnel into the ÖBB 2040 target network and the ÖBB framework plan; concrete planning mandate of the Federal Ministry (BMK) to ÖBB-Infrastruktur AG for the implementation of the measures
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Main constraint is the lack of money for investments in railway infrastructure. It is anticipated that this rail infrastructure measure will be postponed, because of lack of funding.



<p>Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i></p>	<p>ÖBB Infrastructure AG and Austrian Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology</p>
<p>REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i></p>	<p>State Government of Styria (PP3) and stakeholders in Styria must continue to urge the Ministry to include this project in the ÖBB framework plan and the ÖBB target network. The State Government of Styria is the central point of contact for communicating with the Ministry and ÖBB Infrastruktur AG.</p>

<p>Number and name of intervention: A.2 Upgrading of the Railway Line Bruck/Mur-Graz-Spielfeld-Maribor</p>	
<p>Priority area <i>Indicate the priority area of the intervention</i></p>	<p>Transport infrastructure</p>
<p>Total cost to realize the measure/intervention</p>	<p>A clear assessment of the costs is not yet possible due to the still unclear project specifications.</p>
<p>State of financing <i>Please indicate the percentage of the cost already financed</i></p>	<p>0 %</p>
<p>Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i></p>	<p>National: 100% ÖBB-Infrastruktur AG, based on public subsidies European: subsidies by Connecting Europe Facility (CEF): The railway line Bruck an der Mur - Graz - Spielfeld - Maribor is part of the Baltic-Adriatic-Corridor and thus part of the TEN-T core network as well as part of the RFC 5 “Baltic-Adriatic” and RFC 10 “Alpine-Western Balkan” Regional: subsidies by Styrian State Government, based on promoting of regional rail transport</p>
<p>Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i></p>	<p>Including the project into the ÖBB 2040 target network and the ÖBB framework plan; concrete planning mandate of the Federal Ministry (BMK) to ÖBB-Infrastruktur AG for the step-by-step implementation of the measures</p>
<p>Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i></p>	<p>Main constraint is the lack of money for investments in railway infrastructure. It is anticipated that this rail infrastructure measure will be postponed, because of lack of funding.</p>
<p>Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i></p>	<p>ÖBB Infrastructure AG and Austrian Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology</p>
<p>REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i></p>	<p>The project has already been submitted to the Federal Ministry (BMK) for inclusion into the ÖBB 2040 target network. State Government of Styria (PP3) and stakeholders in Styria must continue to urge the Ministry to bring this project to operation.</p>



Number and name of intervention: A.3 Expansion of the Cargo Centre Graz-Werndorf (CCG) Terminal	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	97.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	10 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Public and private capital (expected): 50% private capital 50% by Styrian State Government National: subsidies by the Austrian Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK): “Anschlussbahn- und Terminalförderung” European: subsidies by Connecting Europe Facility (CEF): RRT is part of the TEN-T core network on the alignment of the Baltic-Adriatic-CNC as well as part of the RFC 5 “Baltic-Adriatic” the RFC 10 “Alpine-Western Balkan”
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Negotiations on the financing and the corporate structure; negotiations on extensions and adaptations at the Wundschuh transfer station; the aim is to separate ÖBB from Graz-Werndorf Projekt GmbH (GWP) to establish a PPP shareholder structure with the participation of the province of Styria; planning of the terminal infrastructure; application for a subsidy by the Federal Ministry (BMK)
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	No major problems are expected, negotiations on the financing and the corporate structure are ongoing.
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	Terminal Operator and State Government of Styria
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	State Government of Styria (PP3) is part of the negotiations on the financing and the corporate structure.



Number and name of intervention: A.4 New railway line connecting the future Koralm Railway line and the Steirische Ostbahn	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	850.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	0 %
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	National: 100% ÖBB-Infrastruktur AG, based on public subsidies European: subsidies by Connecting Europe Facility (CEF): railway line Steirische Ostbahn is part of the TEN-T comprehensive network Regional: subsidies by Styrian State Government, based on promoting of regional rail transport
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	Including the project into the ÖBB 2040 target network; rapid start of the permitting process and EIA planning to obtain a route permit for the railway line to keep areas free from other uses, as housing and business development.
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Main constraint is the lack of money for investments in railway infrastructure. It is anticipated that this rail infrastructure measure will be postponed, because of lack of funding.
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	ÖBB Infrastruktur AG and Austrian Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	State Government of Styria (PP3) and stakeholders in Styria must continue to urge the Ministry to include this project in the ÖBB framework plan and the ÖBB target network. The State Government of Styria is the central point of contact for communicating with the Ministry and ÖBB Infrastruktur AG.

3) Conclusion

The main constraint for realising the infrastructure projects mentioned above is the lack of money for investments in railway infrastructure, with of the expansion of the Cargo Centre Graz-Werndorf (CCG) being the only exception.

It is anticipated that most rail infrastructure measures will be postponed, because of lack of funding. The Styrian government and the stakeholders in Styria share an equal opinion on the priorities of the projects in Styria. The negotiations with the Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) and ÖBB Infrastruktur AG reveal basic consensus about the project priorities. However, the implementation periods claimed by Styria are seen as much more long-term oriented from the point of view of the Ministry and ÖBB. For this reason, there is 100% agreement only on the terminal project, as the responsibility for the implementation lies solely with Styria.



In case of the expansion of the Cargo Centre Graz-Werndorf (CCG) negotiations on the financing and the corporate structure are still ongoing. Negotiations are expected to be completed by 2022.

The Styrian provincial government and the stakeholders in Styria will make an effort to convince the Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) and ÖBB to accelerate the implementation of the priority projects according to the envisaged time plan. State Government and stakeholders will continue to urge the Ministry to include these projects in the ÖBB framework plan and the ÖBB target network and furthermore bring them to operation. The Austrian Ministry BMK in its competence is the main decisionmaker in ranking the railway projects in Austria. The State Government of Styria is the central point of contact for prioritising the projects and communicating with the Ministry and ÖBB Infrastruktur AG.