

Press release of Cargo sous terrain AG

Berne, 23 January 2018

Cargo sous terrain mobilizes CHF 100 million

Swiss and international companies have pledged their commitments to Cargo sous terrain (CST), on the condition that the dedicated federal law is passed, thus meeting the government's threshold for private sector interest in the project. Today, a delegation of CST AG presented its roadmap for the next phase of development of the logistics network to Federal Councillor Doris Leuthard. This roadmap includes a funding plan of 100 million CHF in equity, comprised of a Swiss majority, to obtain a building permit for the first section from Härringen to Zurich.

In November 2016, the national government had specified a number of conditions to support the project on the legislative path. With the creation of CST AG in March 2017, the commitment to a non-discriminatory system access and the participation of key market players such as Migros, Coop, the Swiss Post, SBB Cargo and Rhenus in CST AG, many of the prerequisites have been already met for some time.

With a conditional financing plan now in place, CST is well positioned for the next project phase: Planning up to and including a building permit for the first section of the route from Härringen-Niederbipp to Zurich. From the point of view of the initiators, the preconditions of the Federal Council have been met in order for a special CST Law to be proposed for public consultation and parliamentary deliberation. Thus, the construction and operation of CST will be able to rely on a stable legal foundation.

Global partners from Switzerland, Europe and China will help make the next step possible

A number of existing CST partners intend to increase their share capital once the CST Law is in effect. These include Coop, Mobiliar, Migros, Zürcher Kantonalbank, the Swiss Post and Swisscom. They will be supported by partners who bring expertise to further improve the project's feasibility, which include: Credit Suisse, insurance company Helvetia Versicherungen and mechatronics company Gotthard 3 (belonging to the Antrimon Group) from Switzerland, as well as European infrastructure developer Meridiam, and Dagong Global Investment Holding Group from China, which is active in the fields of technology development, investment consulting and infrastructure investments.

Representatives from the consortium of partners presented their credentials and commitment to the development of the project to Federal Council member Doris Leuthard today. They confirmed their shared view of the benefits in developing an innovative logistics system for the needs of businesses and private households. Once a CST-Law is passed, the expected equity contribution to the project will be CHF 100 million, comprising a swiss majority. "Cargo sous terrain is very pleased to enter the next phase on the road ahead with an ideal mix of partners", declared Daniel Wiener, Head of Investor Relations at CST, to the media.



Legislative process about to begin, cantons to play an important role

Representatives from the cantons of Aargau, Berne, Solothurn and Zurich discussed the CST project in a working group and clarified the prerequisites for turning the first section into reality in their respective territories. The working group came to the conclusion that CST will have the effect of reducing heavy goods traffic, especially with the growing expansion of the network. Based on the potential of CST, the four cantons have confirmed their interest in the advancement of the system in letters to Federal Council member Doris Leuthard. At the same time, they have outlined where they see a need for further development and specific measures in the project. CST will take these concerns into account in its own interests. "From our point of view, it is crucial that the concerns of the cantons and CST are included in the planning," commented Peter Sutterlüti, President of the Board of Directors of CST AG, with reference to the media orientation. "We will ensure this is the case in the upcoming project phases." As in the past, cooperation between the cantons will continue to be coordinated by the Cantonal Construction, Planning and Environment Directors' Conference.

The Federal Office of Transport will now review the dossier submitted by CST to ensure that all the conditions specified by the national government have been met. At the end of today's press conference, Peter Sutterlüti concluded: "The fact that Cargo sous terrain has received a tremendous boost towards practical implementation with its new partners, represents a major confirmation and source of motivation for everyone who has been laying the foundations for this innovative logistics system and Switzerland's digital future."

Further information for the media

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Downloads

Picture download (from 12.00):
www.cargosousterrain.ch/de/en.html

Website

www.cargosousterrain.ch



Infobox 1

Overview of main CST investors for the building permit phase from 2020 onwards

- Coop Genossenschaft
- Credit Suisse
- Dagong Global Investment Holding Group Co., Ltd (China)
- Gotthard 3 Mechatronic Solutions/Antrimon Group
- Helvetia Versicherungen
- Meridiam SAS (France)
- Federation of Migros Cooperatives
- Swiss Post
- Schweizerische Mobiliar
- Swisscom
- Zürcher Kantonalbank

Infobox 2

Conditions specified in 2016 by the Swiss government to support the project

- The transformation of the CST association into a joint-stock company
- Investments of more than CHF 100 million for the planning and building permit phase
- Proof of a firmly established base amongst dealers, shippers and logistics companies
- Support for the cantons along the first section (BE, SO, AG, ZH)
- Non-discriminatory access to the system
- No government subsidies



Infobox 3

Comprehensive logistics solution with CST from 2030 onwards

By 2045, CST can provide Switzerland with an automated, digitally controlled overall logistics system that will promote the competitiveness of the economy and improve quality of life in the long term. CST will ensure a high security of supply and punctual deliveries of pallets, containers and parcels. The system includes underground transport tunnels between the centres north of the Alps and environmentally friendly distribution in cities and industrial areas (city logistics). The first section of the tunnel system will connect the Härkingen-Niederbipp logistics hub with Zurich from 2030 onwards. In the next few years, CST will develop a city logistics service for Swiss cities which can be operated profitably after the opening of the CST tunnel system. The fully automatic network from Geneva to St. Gallen and from Basel to Lucerne, with an additional branch from Berne to Thun at the full state of development, will serve more than 80 hubs for the loading and unloading of goods for industry and commerce as well as for about 10 million people. At the same time, CST will be the largest warehouse in Switzerland with a surface area of one million square metres below ground.

CST will reduce the number of trucks on existing roads, in particular at road bottlenecks by 40%. Freight traffic in cities will be reduced by up to 30% thanks to the systematic and efficient delivery by electric vehicles that are compatible with urban requirements. The system will be operated entirely with renewable energy. Thanks to end-to-end digitalization, the system will operate in an extremely flexible environment, with dynamic deliveries in small units and guaranteed arrival times for goods.

Infobox 4

About the new partners

Meridiam specializes in the development, financing, and management of long-term and sustainable public infrastructure projects. With offices in Paris, New York, Toronto, Luxembourg, Istanbul, Vienna, Addis Ababa and Dakar, Meridiam currently manages USD 6.8 billion of assets, and more than 60 projects under development, construction, or in operation to date. "Meridiam was founded with the belief that the alignment of interests between the public and private sector can provide critical solutions to the collective needs of communities," says Thierry Deau, CEO and founder of Meridiam.

Dagong Global Investment Holding Group Co., Ltd has been in existence since 1994 and is part of a Chinese group of companies which, among other things, plays an important role as a global rating agency. The company is active in the fields of project and technology development, market and investment consulting as well as infrastructure investments. "Dagong Group, in the spirit of creativity and innovation, has always adhered to the value of responsibility and development and innovative strategic thinking. Dagong has found an exceptional growth path with pursuit of added value and untiring motivation for innovative development." (CEO Jianzhong Guan)
en.dagongcrg.com

Gotthard 3 Mechatronic Solutions AG, headquartered in Muri/AG and part of the Antrimon Group, is a leading provider of innovative mechatronic systems with broad expertise in all areas of mechatronics. This includes mechanical and electronic systems as well as electrical engineering and drive technology. "Within CST, the Antrimon Group will be able to make full use of this expertise in the technical development and assessment of the system. All in the spirit of Swiss technological and innovation power for a great Swiss technology project." (Stefan T. Schimon, President of the Administrative Board of Antrimon Group)
www.gotthard3.ch / www.antrimon.com

Helvetia Insurance's commitment to CST, which was announced in the autumn of 2017, is a stable investment and at the same time a commitment to sustainability in the private sector. "Helvetia's financial commitment supports the realisation of a magnificent idea for Switzerland," declares CEO Philipp Gmür. "We are looking forward to actively supporting and assisting this project."
www.helvetia.ch

Through its Swiss Universal Bank, **Credit Suisse (Switzerland) AG** offers comprehensive advice and first-class financial solutions to private, corporate and institutional clients. It is the leading Bank for Entrepreneurs in Switzerland and engages in various initiatives to promote the future success of Switzerland as a business location. Commenting on the project, Thomas Gottstein, CEO of Credit Suisse (Switzerland) AG, stated: "As the entrepreneur behind the construction of the country's railway, Alfred Escher drove Switzerland forward with his vision and enterprising spirit. CST is continuing this tradition: The successful implementation of the project will have a sustained positive impact on logistics and on the Swiss economy. We are delighted to be part of this innovative venture."