

KEYNOTE SPEECH

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World Peace and Mega Projects - The Example of The Channel Tunnel

Thank you for inviting me to your 17th EAROPH World Planning congress.

Local Development and planning in the 21st Century is a good topic. My keynote speech is "World peace and mega projects: The example of the Channel Tunnel."

Do you know that the Channel Tunnel was awarded first prize amongst the top 10 construction projects of the 20th century by an international construction panel in the United States!

Do you know that since the start of commercial services during the summer of 1994, the Channel Tunnel has steadily become the fastest and most reliable way of crossing the Channel between France and Great Britain with a high level of satisfaction.

After 6 years Eurotunnel is today the market leader on the Channel for cars (with 54% of the market) and for lorries (with 39% of the market).

It is also the exclusive link for Eurostar passenger trains which carry over 50% of the total market passengers between London, Paris, and Brussels, the three main capitals in Europe. And it also is the exclusive link for freight trains between Great Britain and continental Europe.

I've brought a video tape to show you some images of this famous tunnel. Unfortunately it is not possible to play it in this room. The organizers will

manage a special presentation on a TV set near the registration table.

So, I will use this OHP with hand made transparencies.

But before beginning, I would like to ask you a question: who has had the chance to go through the Channel Tunnel by “Le Shuttle” or by “Eurostar”?

Well, I think it is necessary to show you where exactly is this Channel Tunnel (transparency map of Europe 1).

My presentation will have 3 parts: 1) the context and the chronology, 2) the figures and the characteristics, and 3) the impact and a conclusion. (transparency Plan 2)

1. The Context

1. 1. Chronology (key dates)

18th century: a French geologist recognized that a natural isthmus connected Britain and continental Europe 13000 years ago,

1802: first proposal to dig a tunnel to Napoleon Bonaparte

1856: first concrete proposal with railway

1880: beginning of excavation

1882: stop: the British public opinion is against the tunnel by claiming that it would increase the risk of invasion (1883 meters on the UK side and 1669 meters on the French side were digged).

1955: the British Defense Minister announced he no longer opposed the project on military grounds.

16th July 1973: a “Channel Tunnel Study Group” was formed; the project was officially launched in 1973: two main tunnels and one service tunnel.

1973: Beginning of excavation.

20th January 1975: the project is abandoned due to financial difficulties precipitated by the fuel crisis. Construction work was halted.

1978: the idea resurfaced.

1980: Margaret Thatcher British Primed Minister approved the tunnel but she pronounced her famous phrase “yes, but, no public money”.

1981: Francois Mitterrand is elected President of French Republic. He chose Pierre Mauroy as Prime Minister. They decided to re-launch the project.

1985: an international consultation is launched on private bases.

Four rival projects are on the table: Europort, Euroroute, channel express way and Eurotunnel; Eurotunnel won with twin rail tunnels, shuttle trains to carry road vehicles, Eurostar for passengers and a third tunnel for services running between the two (transparency scheme 4).

1986 20th January: official announce of the winner in Lille (F)

1987 29th July: fixed link Treaty is signed in Canterbury (UK)

1st December 1987; tunneling starts on the UK side

1st December 1990: achievement: 22,3 km (UK) and 15,6km (F). Then can begin the building of the link with more than 10,000 workers.

6th May 1994: official opening by queen Elizabeth II and Francois Mitterrand

1st June 1994: the first freight train passes through the channel Tunnel

25th July 1994: Start of Eurotunnel freight services

14th November 1994: Eurostar services starts

22nd November 1994: start of Eurotunnel passengers Shuttle services

1. 2. Financing

The previous cost was approximately \$ 4 billion

The real cost is \$ 6 billion because of:

- the increasing of the tunneling cost
- the rolling stock costs incorporating additional safety features
- the late start up (94 instead of 93) causing additional financial costs

The total financing requirement was \$13 billion

1. 3. TGV

In the context it's necessary to give some words about the TGV (High Speed Train System). Obviously, the existing TGV, running in France with credibility since 1981, made the railway network between five different

countries, credible (transparency triangle 5).

UK, Belgium, the Netherlands, Germany and France have an enormous commercial potential of exchange. The linear connection became a triangular one with 10 million people in Paris, 15 million people in Greater London and 25 million people in Brussels, Randstad (Amsterdam Rotterdam the Hague) and Koln.

1. 4. Building Europe Political context

The peace context with the building of Europe made the Channel Tunnel possible

- Rome Treaty in 1955: the Europe of six
- Entry of United Kingdom in 1971
- Maastricht Treaty in 1994 establishing a single market for goods and capitals; a fixed link is not only possible but also useful !

1. 5. Pierre Mauroy

The mega projects are also the result of human action. Let me underline the specific role of Pierre Mauroy, Prime Minister during that critical period. He was at the same time the mayor of Lille. Lille is the first big city on the tunnel route, coming from London and going to Paris or Brussels. He was fully interested in the development of the Channel Tunnel to re-develop his city. Lille has been the capital of an industrial region and was in decline in the seventies. The tunnel with the new TGV connection with London, Brussels and Paris offers to the city of Lille a fantastic development opportunity.

2. The figures

2. 1. Traffic

Shuttle:

- 3 260 166 cars; market share 54%
- 838 766 trucks; market share 39%

Railway services

- Eurostar: 66 daily Eurostar services with 6.6 million passengers,:
- Freight: 3 millions tones; this represents only about 4% of the UK-Continent freight market: a very strong potential for rail traffic growth!

Total: 19 million people a year in 1999! With the achievement of the new line to London and the connexion with Northern England, Scotland and Germany the number of passengers will grow.

2. 2. Finance

The total share capital is \$ 12.5 billion.

It is held by

- 49% by 786,000 individual shareholders.
- 51% by banks consortiums+

I have no time to develop this financial aspect. The company thinks that, by 2002, the operational cash flow will cover the interest charges.

The turn over is approximately \$ 1 billion and the operating expenditure is \$ 630 million. So there is an operating profit of approximately \$350 million.

The interest to be payed is \$ 520 million.

2. 3. Indirect activities

Eurotunnel has also indirect activities as land development and telecommunications services: as a commercial operate and as an infrastructure provider. Concerning the retail, it is managed by BAA.

As a result of this commercial success and in accordance with the concession Agreement signed in 1986, Eurotunnel submitted a feasibility study on a second fixed link to the British and French governments at the end of December 1999. In satisfying its contractual obligations Eurotunnel preserves an exclusive option to construct a second link tunnel without any need to take a decision for some years yet.

3. The Impact

As you can imagine the Channel Tunnel impact is enormous. But it is necessary to analyze different features:

The local development

The competitive conditions in transport

The negative impacts for port activities

The cultural impact etc.

After six years it is possible to say that a new organization of the transportation between France and Great Britain is established. The shipping companies has been concentrated and modernized and the competition is fair between the two systems.

Regarding the cultural impact, I think it will take a long time but, already, an increasing number of British tourists, visits continental Europe for one, two, three days trips, or more.

Concerning the local development it's possible to distinguish North Pas de Calais in France and Kent in UK.

3. 1. North Pas de Calais

The French terminal in Calais is developped by Eurotunnel. Almost 5000 jobs have been created. The first main city on the route, Lille, is developing quickly on a European level. A new district, called Euralille, is in development with offices, new houses, public services on 70 hectares in the city center, around the new station.

3. 2. Kent

In Kent, the new line from Folkestone to London will be finished on 2004. A new station is already opened in Ashford and two others are planned in Dartford and in London center. In Ashford, numerous business parks are attracting many different industries from all over the UK and also from continental Europe, the USA and the Far East. As in Lille, the international

station for Eurostar at Ashford has been a major factor in encouraging business companies to locate in the area. The environmental impact was everyday on the table. As perhaps you know, Kent is called “the Garden of England”. Eurotunnel initiated more than 100 environmental studies. For example the chalk excavated during the construction of the Channel Tunnel created a new piece of England. It is today a park available to the public for recreational activities such as walking, bird watching and sea-angling!

Conclusion

In the history of human endeavor, some achievements satisfy our innermost dreams and others fulfill a social and economic purpose. They seldom coincide.

The exceptional, exemplary character of the Channel Tunnel stems from the fact that it meets both objectives.

For centuries, people have dreamed of wiping out the English Channel without having had the means to do so. For the last hundred years, no one has dared to make the dream come true. In less than a decade, we have dreamed, dared and done it.

Was it, therefore, so easy? Indeed not. All the players involved in this huge construction site will assure you that it required determination, tenacity and intelligence to reach the appointed goal, but when political will teams up with engineering technology, nothing is beyond the reach of human ambition.

The challenge was enormous. Political decisions had to be supported by technical prowess to allow the age-old dream to take shape. Success required extraordinary precision and qualities of a high calibre in design, research and organization. Great ingenuity was put into finding the best way to overcome each obstacle. What a selection of talents were assembled for this project: among designers, engineers, workers at all levels and among the all those who contributed their ingenuity and know-how to one of the greatest construction projects of the century!

To my mind, this endeavor illustrates the courageous spirit with which we

much face the future. If we have been able to achieve what seemed an impossible task, then other ambitious projects are also within our reach.

Relations between France and Britain have been invigorated by the project. It is a shining illustration of the fact that when two nations with time-honored identities pool their resources, they can achieve great things and prepare the future together (I think about the tunnel between Japon and Korea, the VP Hee-Soo Chung spoke about it).

Now that we have the single Market, we much think of developing Europe on a continental scale. The map of Europe is changing before our very eyes and France is located in the center of the new formation.

With this tunnel and the road and rail infrastructure, which will follow, the Nord-Pas-de-Calais region can expect to regain its former position as a major crossroads between Northern and Southern Europe

This magnificent technological achievement is the first link in a chain of projects reaching from north to south and east to west across our continent, helping pull down barriers, first between countries and then between mentalities.

I wish good links like that to your area in Asia.

Thank you for your attention.