



**Autostrada A3 Salerno Reggio-Calabria:
An Italian Infrastructure Success**

Speech of Anas SpA CEO

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MESEURO, Brussels 14 November 2012

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1. Introduction

Ladies and gentlemen,

I wish to thank the Members of the European Parliament, Gianni Pittella and Mario Mauro for inviting me to this event.

I greet and thank Ambassador Ferdinando Nelli Feroci, Permanent Italian Representative to the European Union in Brussels.

I also thank Herald Ruijters, Head of TEN-Unit, DG Mobility & Transport at the European Commission;

Brian Simpson, President of the TRAN Committee at the European Parliament;

Antonio Cancian, Member of the TRAN Committee at the European Parliament.

I also want to thank our moderator Mariolina Sattanino, RAI's correspondent from Brussels.

Spanning from Salerno to Reggio Calabria, the new A3 Motorway, together with the rail tracks High-Speed Line, is the biggest infrastructure investment being carried out in Italy.

ANAS has the daunting task to build the new A3 Motorway on the same route of the existing motorway which construction began in 1962 and was completed between 1973 and 1974.

Since 1928 ANAS has been the main road infrastructure operator in Italy. ANAS is a Joint Stock Company entirely owned by the Ministry of Economy and Finance and subject to the control as well as the technical and operational supervision of the Ministry of Infrastructure and Transport.

ANAS builds, operates and maintains highways and motorways in Italy, progressively improves and updates the road network, its safety and all road related linear and vertical signaling. ANAS looks after the purchase, construction, conservation and improvement of real estate properties, facilities and equipment necessary to service the road infrastructure and carries out the surveillance of such road network through its field personnel. ANAS manages all projects on national highways and

motorways not operated by concessionaries and not subject to tolling.

Today, ANAS directly operates 1300 kilometers of freeways and overall more than 25,000 kilometers of national highways.

The A3 Salerno-Reggio Calabria consists of 443 out of these 1300 kilometers.

Since 2007 ANAS is the largest commissioning body in Italy as appears in the report by CRESME Europa Servizi. In 2011 it reinforced such position with approximately 4 Billion Euros in public tenders for investments, even with the current lack of appropriation funds in favor of new infrastructures.

In 2011 alone, ANAS started 30 new constructions for a total amount of 1,2 Billion Euros and open to traffic more than 110 kilometers of new highways and motorways for a total value of 1,3 Billion Euros, including 32 kilometers on the Salerno-Reggio Calabria motorway.

This year 23 new construction projects have been started for a total investment of 1,8 Billion Euros. In the last ten months, ANAS opened to traffic 17 new road and 3 new motorway construction sites for a total value of almost 700 Million Euros.

ANAS has published 10 public tenders for a total investment of 900 Million Euros and awarded 13 tenders for a total amount of 1,2 Billion Euros.

21 public tenders are currently active for a total amount of 2,2 Billion Euros.

Since I joined the Company in 2006, 253 construction works have been completed for a total investment of roughly 7 Billion Euros and 183 constructions have been handed over for a total value of over 10 Billion Euros.

282 extraordinary maintenance projects are either active or in the process of being initiated for a total amount of over 510 Billion Euros and, since 2006, 1505 projects have been completed for a total amount of 1,6 Billion Euros.

From an economic standpoint, in the last four years the Company has posted a surplus balance. In 2008 the consolidated net profit was 5,4 Million Euros, in 2009 16,8 Million Euros and in 2010 28,4 Million Euros. The last fiscal year was closed with a net profit of 8,2 Million Euros and a dividend payment to the Ministry of Economy and Finance in the amount of 7,8 Million Euros.

In December 2005 ANAS has received the ISO 9001/2000 certification for the Directorate of Programs and Design and afterwards, following a reorganization of the Company, every operating unit has been certified.

TÜV has now certified every activity in ANAS.

2. Anas commitment for the A3 Salerno-Reggio Calabria Motorway

ANAS is currently engaged in the construction of the most modern European motorway: the new A3 Salerno-Reggio Calabria.

Few people know that the A3, although it runs in the South of Italy is effectively an true mountain highway.

The route of the Salerno-Reggio Calabria motorway runs for over 200 kilometers in mountainous areas with a challenging elevation profile and a rapid succession of tunnels and viaducts.

The A3 Salerno-Reggio Calabria crosses three regions and breaks the isolation of several Southern territories and puts Italy in Corridor 1 "Berlin-Palermo" awaiting the construction of the Bridge of the Messina Strait.

ANAS is building a completely new and safer motorway, with higher road curvatures and 3,75 meters traffic lanes as well as 3 meters emergency lanes. It features a 4 meter wide neutral ground along 443 kilometers. Therefore, the project is not simply an update and enlargement of the motorway but it represents the construction of a completely new

infrastructure that replaces the existing one with minimal disruption of traffic, especially during the peak holiday season.

Today, 272 kilometers have been completed, 93 kilometers are being built and tenders have been published for another 20 kilometers for a total of 385 kilometers or 87% of the entire route. The original 443 kilometers at the end of the construction will be reduced to 433. There are 124 km without construction sites between Salerno and Lagonegro and 148 construction-free kilometers on the rest of the motorway to make up for the 272 kilometers of new road.

ANAS ambitious goal is to complete all funded and initiated construction before the end of 2013. The current trend of construction allows to confirm such challenging goal both from an engineering and a financial standpoint.

The construction of the new A3 is a financial, engineering challenge and represents a strong commitment to legality.

Current appropriations amounts to 7,443 Billion Euros and cover financially all current construction and tenders.

ANAS has received a total of 477 Million Euros in National Operating Programs (PON Trasporti) and EU funds (European Fund for Regional Development) appropriations which represents 6,5% of the total financial need.

In order to complete the motorway, 13 new projects must be completed, which are now either already in the design phase or ready for construction. 5 projects are related to the remaining 58 kilometers of motorway while 8 projects are related to new interchanges requested by local communities which were not initially foreseen. These include the upgrade

of the junction with the Salerno-Avellino link (Grancano viaduct).

Approximately 4000 personnel and more than 5000 equipment are being used in the construction of the A3 Salerno-Reggio Calabria motorway.

Over 700 local companies are supplying raw materials, semifinished products , services and other activities related to the motorway's construction, occupied approximately 7000 people.

3. The old and the new A3

The construction of the first Salerno-Reggio Calabria lasted 12 years between the 60s and the 70s and were carried in completely different conditions (different rules and regulations, obsolete environmental and labor laws) as well as in the total absence of traffic.

Today ANAS, through its contractors, is not only updating or changing the original route but is building

a completely new motorway with new tunnels, new viaducts and new interchanges.

Along the entire route 499 new viaducts, bridges and overpasses will be built. The total length of such engineering works is more than 97 kilometers with a total surface of 1,3 Million square meters of decks. The average length of viaducts and bridges is approximately 160 meters with 74 of them longer than 300 meters. The longest viaduct (Costiera di Pizzo) has more than 1900 meters.

432 of such engineering works are either built or under construction for a total length of 79 kilometers and a surface of over 1 Million square meter of decks.

Current average length of viaducts is approximately 180 meters with 63 of them longer than 300 meters. The longest viaduct (Favazzina) is 754 meters long cable stayed structure with 220 meters central span.

Along the entire route 190 tunnels will be built, some of which are artificial, for a total of 47 more than the existing motorway. There will be more than 124

kilometers of tunnels, approximately 74 km more than today. Tunnels are on average longer than 600 meters with 95 tunnels longer than 500 meters and 31 tunnels longer than 1000 meters. The two longest tunnels in the project (Serra Rotonda South and North) are both longer than 3.900 meters.

Along the 385 kilometers completed or under construction, there are 134 single tunnels for a total length 108 km. Tunnels are on average longer than 800 meters with 91 tunnels longer than 500 meter and 31 tunnels longer than 1000 meters.

The entire route will have 62 interchanges, 9 more than the existing motorway. 49 interchanges are either built or under construction.

The complete refurbishing of the motorway shall not only bring benefit in term of travel times but most of all ensure safer travelling for motorists making the new A3 the safest motorway in Italy.

4. Commitment to legality

The construction of the new A3 is a large financial endeavor for ANAS that mandates, with the cooperation and support of police forces and the judicial system at large, the constant and firm commitment to fight any infiltration of the organized crime even in the face of repeated threats and sabotages.

ANAS has signed a number of agreements with the local Prefectures to monitor and control all construction activities and has obtained the precious assistance of the armed forces, in particular the Italian Army, to secure for a limited time sensitive construction sites.

ANAS has also implemented rigorous procedures to monitor material and the production of concrete.

Such commitment and the close cooperation of police forces allowed, particularly in the provinces of Reggio Calabria and Catanzaro, to obtain from the competent Prefectures, 109 restriction orders for construction

companies, 62 of which already had contracts and were operating on site. Such restriction orders entailed the forced removal of the companies personnel and equipment with significant consequences on the construction.

To contrast such criminal phenomena, the commitment of all Institutions, the cooperation and synergy of practical actions, and most of all the spreading of a new cultural model of legality, must remain high until the end of the construction, because there is no true growth without legality.

Too many times, with excessive lack of care some have called the A3 as the “the longest body of evidence in Italy”. The New York Times went even further calling the A3 the “dark side of the recent Italian history”, the symbol of failure.

At a closer look, the A3 is not a dishonor or a worrisome issue for Europe. Rather it should be a pride of Italian ingenuity within a large European transport strategy.

Controversies and common places do not match facts.
The A3 is already an Italian infrastructural success.

Few simple data allow us to understand the significant engineering and technical effort and the results already achieved.

5. Achievements: the new road section in Campania

Travellers along the 118 kilometers in Campania, know that the new Salerno-Reggio Calabria is very different. The old one had blind curves and narrow and winding sections without emergency lanes and hard slopes.

The new A3 has larger three-lanes carriageways between Salerno and Sicignano and two-lanes carriageways between Sicignano and Padula. In this region, it is a modern and safe motorway paved with draining asphalt safer in case of rain. It has 110 viaducts and bridges, 15 interchanges and 40 tunnels

with the most sophisticated lighting, aeration and safety systems.

The A3 is also key to an intermodal development of the economy in Campania.

6. Traffic Analysis for the A3 Salerno-Reggio Calabria

The completion of most of the construction works allow us to compare traffic before and after construction.

The last summer for the first time in 10 years, on the A3 Salerno-Reggio Calabria, traffic has not been deviated and blocking congestions have been avoided. These are the results of ANAS visible effort.

It is an important result because, especially in Calabria, the A3 is only communication route for road transportation and in 2011 at peak times, traffic had to be diverted to alternative routes on regional roads.

While problems have not increased, traffic did not diminish at all. In 2012 on the A3 Salerno-Reggio Calabria motorway, sustained traffic has rather increased compare to the last year. In 2011, 1,9 Million vehicles travelled on the A3 and the peak day on Saturday August 6th, 2011 showed more than 77 thousand transits at Salerno. This year more than 2 Million vehicles have been recorder (5% increase) with two peak days on Saturday August 4th and Saturday August 11th with almost 80 thousand transits in 24 hours. Furthermore, between August 19th and 22th , a total of 380 thousand vehicles travelled in both directions.

On the contrary, problems and accidents did not increase. Thanks to the newly inaugurated sections, recorded accidents were only 36 with a sharp decrease compared to 242 accidents in 2009, 158 in 2010 and 85 in 2011. There was only one fatal accident, alas with 3 deceased persons.

This year even during the so called "red mark" days, the entire route from Villa San Giovanni (Reggio Calabria) to Salerno could be covered in 4 hours and 35 minutes without stops and within speed limits. This represent a reduction of 25 minute compared to 2011.

Traffic flowed normally on the renovated sections and slowdowns occurred only on weekends, as any other motorway, on sections closer to the construction site of Falerna and Morano in Calabria and Lauria in Basilicata.

Motorists showed a higher maturity and positively reacted to the widespread information on traffic conditions. Thanks to the constant effort of ANAS personnel and the cooperation of the Police, the A3 have not experienced any traffic block and no detour has been necessary even in the peak of the so called "black mark" days.

7. Conclusions

The construction of the new Salerno-Reggio Calabria motorway was initiated after the promulgation of Law 443/2001. Before then, since 1998 only 20 small tenders had been awarded for single sections in a total amount of 600 Million Euros investments.

In 2003 the construction of the Macrolot 1 was handed over. This was the first example of contract award to a General Contractor. The construction was been completed in different section throughout 2007 and 2008.

Should deadlines be met, the A3 will have been rebuilt in a little over 10 years, hence less than the time it took to build it originally and with a cost per kilometer of approximately 19-20 Million Euros.

The average cost is actually 19,3 Million Euros per kilometer calculated as a weighted average of the cost of pavement on viaduct, in tunnel, on embankment or trench, including interchanges and

ancillary costs such as expropriations, program and project management and high surveillance.

Along 75% of the route the A3 has a cost of 9,8 Million Euros per kilometer that increases on viaduct and tunnels to approximately 27,8 Million Euros per kilometer.

Although in absolute terms this may appear as a significant cost, it is actually a positive result when comparing the A3 construction to a new motorway built on mountain routes and not to a simple enlargement of the carriageways.

The study has shown that labor and equipment costs in England are comparable to those in France and Germany but significantly higher than those in Italy, Spain, Austria and Poland.

The study examined 10 homogenous kilometers of typical motorways. Giving England a cost of 100, Germany showed a cost of 102, France 98, and Italy

89. If to such labor and equipment costs, design, project management, surveillance and overhead costs are added, Italy shows a value of 65 and England at 100 is by far the most expensive in Europe.

In Italy therefore, the cost of construction, excluding ancillary expenses such as expropriations and compensations, is lower than the other major European partners.

In the end, ANAS main objective is to complete all construction either undergoing or already awarded before the end of 2013, with the hope of being here again in few months to show the European Parliament and the World at large, the most advanced and modern motorway in Europe: the whole new A3 Salerno-Reggio Calabria.

Thank you.