



Press release by Cargo sous terrain AG

Basel, 28 October 2020

Cargo sous terrain law to be submitted to Parliament

In today's session, the Federal Council adopted the Federal Law on Underground Freight Transport (UGüTG) for submission to the Federal Assembly. This moves the realization of the privately-financed Swiss underground freight project Cargo sous terrain (CST) a big step forward. At the same time, CST is pleased to welcome on board a new Swiss investor: Vaudoise Assurances (Lausanne) is financially involved in the current phase, as well as in the upcoming planning permit phase.



The Federal Council has agreed to submit the draft law on Underground Freight Transport (UGüTG) to Parliament. This law will regulate the planning, construction, and operation of the underground logistics infrastructure in Switzerland, and will ensure legal certainty for investors. Cargo sous terrain (CST) hails the draft law which, once adopted by Parliament, will enable the realization of this once-in-a-generation project. CST's complete logistics system will be open to all transport providers on a non-discriminatory basis.

CST believes that a few points need to be further clarified, such as the coordination with cantonal spatial planning. In CST's view, the Federal Sectoral Plan should contain a more precise definition of the underground routing corridors, as well as the locations of potential hubs. In order to achieve this, federal and cantonal planning procedures should, to the extent that it is possible, be carried out in parallel, and not sequentially. In this way, the cantons' coordination efforts can be minimized, and the procedure can be carried out efficiently on a tight schedule. As a privately-financed project, CST relies on this.



New investor from Switzerland

CST is pleased to welcome Vaudoise Assurances as a new Swiss investor. Vaudoise will be involved in the construction permit phase, and is already making funds available for project development. The construction permit phase will begin with the entry into force of the CST law. In this phase, CHF 100 million will be made available to advance the planning and development of the project until it is ready for approval. The CHF 100 million is contractually guaranteed, contingent on the entry into force of the law. At the same time, other Swiss investors have increased their contributions for the planning permit phase and are already making additional funds available today.

Vaudoise is one of the ten largest private insurance companies in Switzerland. Founded in 1895, it is the only independent insurance company based in French-speaking Switzerland. By joining the shareholders directly as a principal investor, it also gets a seat on the board of directors. Vaudoise CEO Jean-Daniel Laffely noted: «It is important for us to actively shape this challenging key project for a sustainable future for Switzerland as an influential representative of the economy of western Switzerland.»

Daniel Wiener, Head of Investor Relations at CST, declared: «I am particularly pleased that, thanks to the new Swiss investors and the departure of Chinese investors, we can expand the Swiss majority to reach two thirds of all shares in the construction permit phase.» The CST chief financial officer added: «At the same time, we are supported by European investors who have broad international experience with privately financed infrastructures.»

CST President Peter Sutterlüti is delighted with today's announcement by the Federal Council and the broad support for CST: «We are very grateful to the Federal government and the Federal Office of Transport for making it possible for us to reach this important milestone. We are now confidently looking forward to the parliamentary debate.»

More information for the media:

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Investors involved in the planning permit phase (total: CHF 100 million)

From Switzerland: Vaudoise, Mobiliar, Coop, Migros, K+D Valueinvest, Die Schweizerische Post, Swisscom, Zürcher Kantonalbank, Credit Suisse, Helvetia Versicherungen.
From abroad: French infrastructure developer Meridiam.



In 2031, Cargo sous terrain (CST) will provide Switzerland with a privately-financed, sustainable and automated complete logistics system which will ensure punctual deliveries of goods, boost the competitiveness of the economy, and guarantee the high quality of life of the Swiss people. CST will transport and distribute small goods continuously and reliably. The backbone of the system will be a 490 km long tunnel system stretching from Geneva to St. Gallen and from Basel to Lucerne, with an additional branch connecting Bern to Thun. The CST city logistics system will seamlessly link the tunnels with cities via the connecting hubs, and will rely on synergies in above-ground supply and disposal. It will relieve cities of up to 30% of delivery traffic and 50% of noise emissions. The CST system, which will be powered exclusively by renewable energy, is ecologically significantly better than conventional transport. Compared to today's road transport, there will be up to 80% CO₂ savings per tonne of goods transported. On the first section, from Härkingen to Zurich, the equivalent of 40,000 tonnes of CO₂ will be saved every year.

CST AG emerged in 2017 from an association that was founded 2013. Numerous Swiss companies in the transport, logistics, retail, telecommunications, finance, industrial and energy sectors are involved as investors, shareholders and project partners in the implementation of Cargo sous terrain, and are actively working on the solution concept. CST AG, based in Basel and with its operational headquarters in Olten, employs nine people. The first operational applications of city logistics and the IT platform will be launched before the overall system is in operation. (www.cst.ch)