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## Dutch scrap high-speed train deal and ask Italians for money back

By Matt Steinglass in Amsterdam and Giulia Segreti in Rome



The Dutch government and the national railway company have cancelled a €336m contract for high-speed, Amsterdam-Brussels trains, and will demand that the Italian manufacturer return the money it has already been paid.

The failure of the Fyra high-speed line has led to threats of legal action between the railway company

and the manufacturer, and the dispute could drag in the Dutch, Belgian and Italian governments.

On Friday, the Dutch cabinet gave the go-ahead to the Nederlandse Spoorwegen (NS) railway company to cancel the order after determining that the trains were too flawed to be allowed to run safely.

The Fyra service debuted in December, but was suspended a month later after the trains repeatedly suffered cold-weather damage and became stranded between stations, owing to software problems.

Last week, the Belgian government dropped its participation in Fyra and cancelled its order of three trains, after a withering assessment by an independent consultant.

Jeroen Dijsselbloem, the Dutch finance minister, told reporters the government expected NS to do everything it could to recover the €120m in instalments it had paid to the Italian manufacturer, AnsaldoBreda. NS has received nine out of a total order of 16 trains, at a cost of €21m per train.

"When such a bad product is delivered, you obviously aren't required to pay for it," said Mr Dijsselbloem.

Earlier, Emma Bonino, Italian foreign minister, released a statement saying she was following the case "with particular attention" and that Italian embassies in Amsterdam and Brussels had been tasked with "promoting and safeguarding the interests of [AnsaldoBreda]."

At a press conference on Thursday, AnsaldoBreda insisted that its V250 trains – specially designed for the Fyra line – were safe, calling the malfunctions normal teething problems. Maurizio Manfellotto, chief executive, said the breakdowns were due to operational mistakes by NS, and threatened to sue for reputational damage.

AnsaldoBreda is a wholly owned subsidiary of the industrial conglomerate <u>Finmeccanica</u>, in which the Italian state holds a 30 per cent share.

The cancellation of the Fyra order calls into question what the Dutch plan to do with their HSL-Zuid high-speed line, built by the state from 2000-09 at a cost of €6.4bn. The line was built in part to allow France's Thalys trains to run at high speeds in the Netherlands, but it will not be profitable without other high-speed services.

Critics have called for international competitors to be invited to bid, now that NS has stumbled. Instead, the government has given NS until October to present a new plan for a high-speed train service between Amsterdam and Brussels, using different trains.

Lodewijk Asscher, deputy prime minister, stressed the need for NS to recover its money from AnsaldoBreda. "It is the client's job to hold the manufacturer responsible for the quality of the product," Mr Asscher told reporters.

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