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Abstract <p>The working group's task was to look into project models applicable to a new section of rail line that will be built to connect two existing lines in the Helsinki region, Martinlaakso line and the main rail line, and to propose the most appropriate model.</p> <p>The new line section, Ring rail line, will be around 18 km long, of which more than eight kilometres in tunnel. The project costs are estimated at 420 million euros, without value-added tax (the price level of April 2006).</p> <p>The working group examined different financing models: budget financing, a public project company, private financing, i.e. a Public Private Partnership (PPP), and variations of these models, with a special emphasis on their impacts on total costs, construction schedules, quality of the construction work, risk division and possibilities of innovation.</p> <p>Structures of tracks and tunnel construction are determined by strict rules and specific instructions that do not allow much variation in planning and building. As a result there is little room for risk transfer and innovation. Since no justifiable differences existed in the construction and maintenance costs, financing costs became a central criterion. The financing costs would be the lowest with the budget financing model, which is currently widely used in similar projects, and highest with the PPP model.</p> <p>It is the working group's view that the most cost-efficient way to implement the project would be through budget financing. Experience has shown that budget financing is a feasible model for a project determined by strict margins, like the Ring rail line.</p> <p>The working group proposes that project preparations be continued and that the State and the City of Vantaa will sign a letter of intent on the new rail section and agree on how to divide the costs between the parties involved.</p>			
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