

Incorporation agreement

In Barcelona, on March 19, nine hundred and ninety-seven.

ARE GATHERED

The Honourable Mr. Macià Alavedra i Moner, Autonomous Minister for Economy and Finances, and the Honourable Mr. Artur Mas i Gavarró, Autonomous Minister for Territorial Policy and Public Works, acting on behalf of and in representation of the Autonomous Government of Catalonia by virtue of an agreement of its Government dated February 18, 1997.

The Most Excellent Mr. Pasqual Maragall i Mira, Major of the Barcelona City Council, acting on behalf of and in representation of this corporation by virtue of the powers conferred upon him pursuant to article 51.1.a) of law 8/1987, Municipal and Local Regimen of Catalonia and the agreement of the Municipal Plenary dated February 7, 1997.

The Illustrious Mr. Joan Blanch i Rodríguez, President of the Metropolitan Transport Organisation, acting on behalf of and in representation of this corporation by virtue of the powers conferred upon him pursuant to article 22.2.a) of law 7/1987 and the agreement of the Plenary of this organisation dated February 6, 1997.

THEY STATE

- **First** – That the administrations represented in this act agree that a new consortium-type collaborative organisation must be created to boost the organisation of an integrated system of public transport in the area of Barcelona.
- They have stated this conviction on numerous occasions, as is shown by the Framework agreement of July 28, 1995, signed by the leading representatives of these institutions, as well as by the Protocol of Bases and Criteria for the Creation of the ATM signed on October 31, 1996 by the representatives of the Autonomous Government of Catalonia, the Barcelona City Council and Metropolitan Transport Organisation.
- Both documents are forerunners of this Incorporation Agreement.
- **Second** – That consequently, the undersigned administrations consider that a voluntary consortium-type collaborative organisation should be set up, through which the Autonomous Government of Catalonia, the Barcelona City Council and the Metropolitan Transport Organisation will jointly exercise, in the future, their powers in matters pertaining to the public transport of travellers, and to which they shall initially assign a series of specific tasks to be developed by this Consortium in its initial stage.

- **Third** – That the organisation created in this act will be the technical and political organisation that will develop all the functions provided for in the Framework agreement of July 28, 1995, to which end the parties hereto will promote, by mutual agreement, any necessary amendments to the regulatory framework.
- **Fourth-** That the Protocol of Bases and Criteria of October 31, 1996 established a system of general objectives for the metropolitan public transport system of the Barcelona area which the Consortium incorporated in this act will initially adopt as its own, with special interest attached to that which the document in question describes as the general financial framework of the system.
- **Fifth-** That the Consortium is created with the aim of having the other administrations in charge of the public transport services of the metropolitan region of Barcelona voluntarily and progressively join it.

And consequently, and by virtue of the foregoing

THEY AGREE

- **First.-** To create a legal-public Consortium-type organisation, known as known as the "**Autoritat del Transport Metropolità, Consortium per a la coordinació del sistema metropolità de transport públic de l'àrea de Barcelona**" (hereinafter the ATM), the aim being to constitute an organisation enabling the administrations to jointly exercise their powers in matters of public passenger transport.
- **Second-** the functions of the ATM, once it has been fully developed, and in terms of the attributes received, are:
 - a. The planning of passenger public transport infrastructures in its territory, defining the characteristics thereof. The scheduling of investments proposing the funding agreements to be entered into and the supervision of the corresponding projects for the purpose of checking compliance with the planning objectives.
 - b. The planning of services and the establishment of operating programmes coordinated by all the companies and the monitoring of the evolution of the overall travel market, with particular attention paid to the behaviour of private transport.

- c. The preparation and approval of a common fare framework within a funding policy that defines the degree of coverage of the costs from fare income and the definition of the integrated fare system.
 - d. Entering into, along with the owners of the service, programme-agreements or other types of agreements with the companies that render the public transport services in its territorial area.
 - e. Entering into funding agreements with the public administrations to subsidise the deficit in services and the operating expenses of the management structure.
 - f. Ownership of the income from the fares from the combined tickets and the corresponding distribution between the operators.
 - g. Control of income, costs and investments by the companies rendering the service for the purpose provided for in the previous section.
 - h. Exercising the administrative powers in the planning of services in its territorial scope which the public administrations signing the Framework agreement of 28 July 1995 and those which subsequently subscribe to it decide to confer upon it.
 - i. Advertising, information and relations with the users.
 - j. The establishment of relations with the other administrations to further fulfilment of the functions conferred upon the ATM pursuant to these Statutes.
- **Third.** The functions to be exercised by the ATM from the outset of its activity are agreed to by the member administrations and are detailed below, described via their specification in 1997, but which should be regarded as functions to be executed in the future permanently by the ATM:

1. Infrastructure Planning:

1. Public transport infrastructure planning over a 10-year time frame and more specifically the preparation of the planning instruments for the coordination of the Metropolitan Public Transport System (SMTPC), including the Intermodal Transport Plan, as the case may be.
2. Monitoring of the execution of the investments in progress in the system provided for by the Railway Infrastructure Funding Agreement 1995-1997, entered into by the General State Administration (hereinafter AGE) and the Autonomous Government of Catalonia.

3. Preparation of the programmes of investments for the following multi-annual period, and consequently the proposal for the new Infrastructure Funding Agreement to be entered into by the AGE and the Autonomous Government of Catalonia.

2. Relations with transport operators.

1. Monitoring of the evolution and fulfilment of any programme-agreements in force between the EMT and the FGC.
2. Monitoring of management agreements and contracts of all the private and public companies of the SMTPC.
3. Preparation of the new programme-agreements to be entered into by the ATM and the operators to take effect as of January 1 1998.
4. Preparation of proposals for agreements with RENFE on the integration of the local train service in Barcelona run by RENFE in the SMTPC.

3. Funding of the system by the administrations.

1. Preparation of proposals for funding agreements with the different public administrations responsible for the funding of public transport with the definition of the contributions of budget resources to the system as of January 1, 1998.

4. Fare Planning.

1. Definition of the project for the new fare system model, as well as its implementation project and the first phase of development.
2. Joint exercise of powers on fares pertaining to the administrations which are the owners of the public transport, being, along with the latter, the only intermediary for the system with the economic Administration.

5. Communication.

1. Creation of a corporate image of the metropolitan public transport system and of the actual ATM, respecting and guaranteeing compatibility with those of the owners and operators.
2. Implementation of communication campaigns with the aim of promoting the use of this system in the population.

3. Future legal framework.

Study and preparation of proposals to the administrations in the consortium for the adaptation of the legal framework for the Consortium to be able to use all its powers.

6. **Fourth-** Approve the Statutes of the new organisation which are annexed hereto and are an indivisible part of this Agreement.

7. **Fifth-** Put up a joint founding capital to establish the ATM of ninety-five million pesetas (95.000.000), distributed as follows:

- Autonomous Government of Catalonia: 51%, i.e. 48,450,000 pesetas.
- Barcelona City Council: 25%, i.e. 23,750,000 pesetas.
- Metropolitan Transport Organisation: 24%, i.e. 22,800,000 pesetas.

These contributions, made in accordance with the provisions of the Statutes, will be paid in a maximum term of three months as of the incorporation date of the Consortium.

8. **Sixth** – The ATM's ordinary operating expenditure and the financing formulas and participation quotas for 1997 will be determined in detail in the organisational budget to be approved by its Governing Board, the maximum amount being one hundred and eight-three million two, hundred thousand (183,200,000) pesetas.

If it proved impossible to replace the exceptional financing formula of the organisation's operating budget defined for the first year in 1998 and in the following years by the formula derived from the establishment of the new financial framework of the system, the same mechanisms of distribution and financing agreed for 1997 will be applied to the annual budget approved by the Consortium.

9. **Seventh** – As of its creation, the ATM will strive to get the town and city councils from outside the EMT and who are the organisations in charge of this public service to join the Consortium via the corresponding joining Agreement which will specify the conditions of their joining, albeit also in accordance with any provisions established for these eventualities by in the organisation's Statutes.

10. **Eighth** – To enable the ATM to accomplish the objectives assigned to it in the initial stage as efficaciously as possible, the Autonomous Government of Catalonia, via the Department of Territorial Policy and Public Works, upon deliberation with the other signatories, will approve any provisions that derogate and/or amend the current ones governing the development and enforcement of the Law of Catalonia 7/87 of April 4 with reference to the Coordinating Coordination of Barcelona Metropolitan Transport and the Intermodal Transport Plan.

And in proof of their acceptance, they sign this agreement in the place and on the date given in the heading.