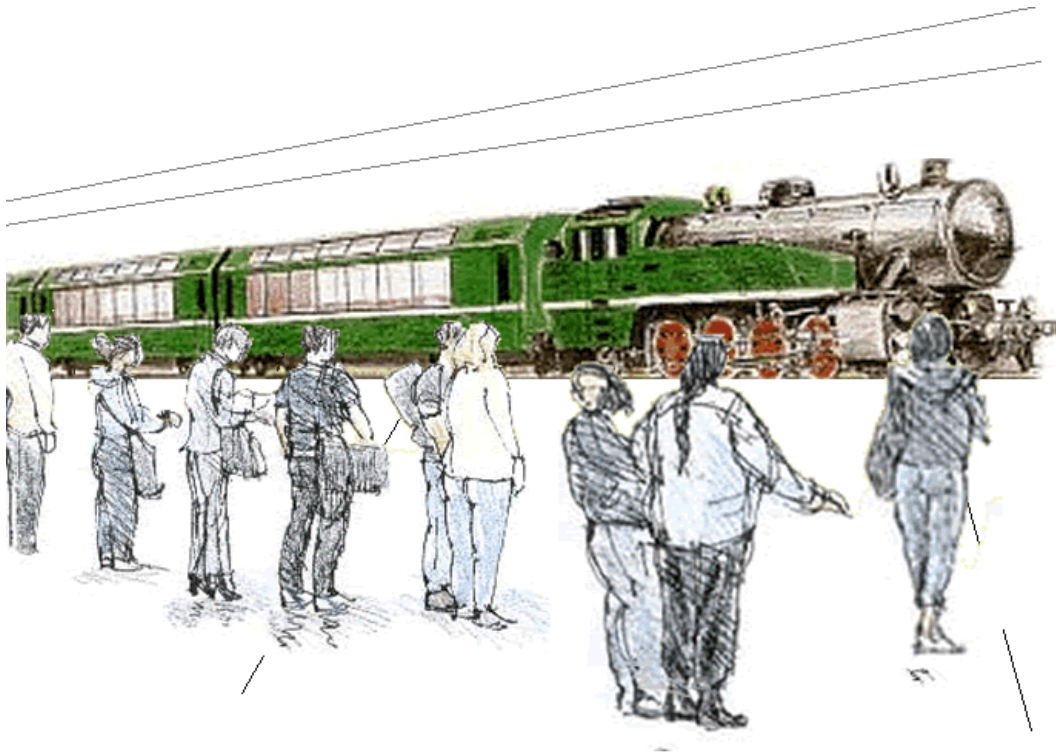


Full steam for a region

Concept Modern Steam for the railway line S9 (Basel) –
Sissach – Läfelfingen – Olten



Full steam....

- ...for a long lasting development of a region
- ...for an attractive public transport
- ...for preservation of the railway
- ...for a reduction of government funds for the public transport

Situation

The public transport on the historic Hauenstein line from Olten via Läuelfingen to Sissach has a very low liquidity ratio of approx. 20%. Therefore it is being considered to change to a bus service. This would reduce the subvention for the adjacent communities and the Canton Basel Land from 1.8 Million to 1 Million Swiss Francs. The Swiss Railway (SBB) would probably continue to maintain the lines infrastructure, as it is a valuable by pass route of the main line.

The current operation using electric trains consisting of a rail car and a trailer car is rationalised almost to the maximum. Therefore no further significant costs savings can be achieved, unless the frequency of the train service is further reduced.

It is essential to improve the situation according to the economical principals to give the region new possibilities and a lasting perspective.

The targets

1. The public transport has to be maintained, improved and made more attractive.
2. Frequencies, comfort etc. should be adapted to today's standards and requirements.
3. The economy and efficiency has to be improved
4. The region should - in a medium-term - benefit strongly from an attractive new means of transportation and be increasingly recognised as an attractive location for the industry and for tourism.

The vision

The public transport through the Homburg valley and later to Basel should be operated by means of modern steam push and pull train.

By the implementation of the most advanced and innovative technology, it is today possible to construct steam commuter trains, which compare very favourably in regards to environmental aspects and energy consumption to any other modern train systems being currently in use.

A push and pull steam train servicing a region on a regular daily basis according to a synchronised time table is an international novelty and will draw international attention. Tourists from all over Europe will be interested in this new mode of transportation. Therefore this modern steam train will become a focal point threading all other tourist activities in the region.

The original infrastructure for a steam operation (water tower, depot, water column, turn table, shed, outbuildings, etc. at the station in Sissach still exist and have been partially placed under monument protection. Therefore this would be an ideal location for a steam museum.

Technical and environmental aspects

Modern steam locomotives are burning their fuel very cleanly and do not produce any smells, smoke or soot. The impact on the environment can be compared to a modern heating system of a small apartment building. Different firing system using oil, natural gas or wood pellets can be installed.

The locomotive

A economical daily operation according to a synchronised time table is only possible by using the most modern rolling stock. Therefore the use of a modern steam train is necessary. The locomotive will be operated by one person only and can be remote controlled from the trailer car at the end of the train. The spectacular traction system as well as the clean steam clouds and the impressive typical sounds of modern steam locomotives can be seen and heard and are identical to the well known steam engines of the past.

The carriages

The new carriages offer an enhanced comfort. A low floor design, easy transportation of baby trolleys and bicycles will all be features of the new carriages. A separate luxury class, making the train journey a memorable experience, will be introduced as well.

Proposed technical data of the modern steam commuter train

Type:	A 4/6 Modern steam push and pull train consisting of the following 3 parts: 1 modern steam locomotive 1 trailer car with panoramic windows 1 passenger car with panoramic windows
Number of seats:	150 – 180 (ration of the different classes to be determined)
Doors:	two doors per carriage on both sides
Weight of train:	120 tons
Total length:	70 meters
Total width:	3 meters
Power:	2'200 kW
Max. speed:	120 km/h
Comfort items:	80% of the train in low floor design for easy boarding, partially air conditioned, Possibility to open some of the windows, passenger information system, disabled friendly design.

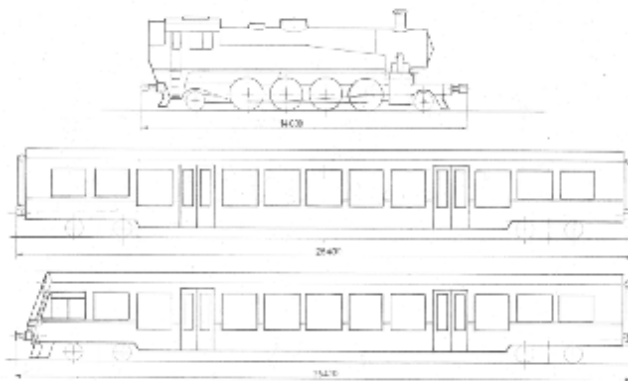


Fig. Typical design and dimensions



Fig. A 4/6 with trailer car

Commercial considerations

The traffic generated by commuters and tourists do not concede. Therefore an optimal utilisation of the line between Olten and Sissach (later Basel) is feasible.

The increased traffic generated by tourists will improve the situation on the income side (turn over) dramatically.

The new and innovative transportation concept will gain interest throughout Europe. Therefore it can be considered as an attractive advertising platform for local or international companies, offering different products or services. This will generate a further increase of the income.

The additional traffic generated by the tourists will substantially increase the earnings for the whole region and will the area increased publicity and recognition.

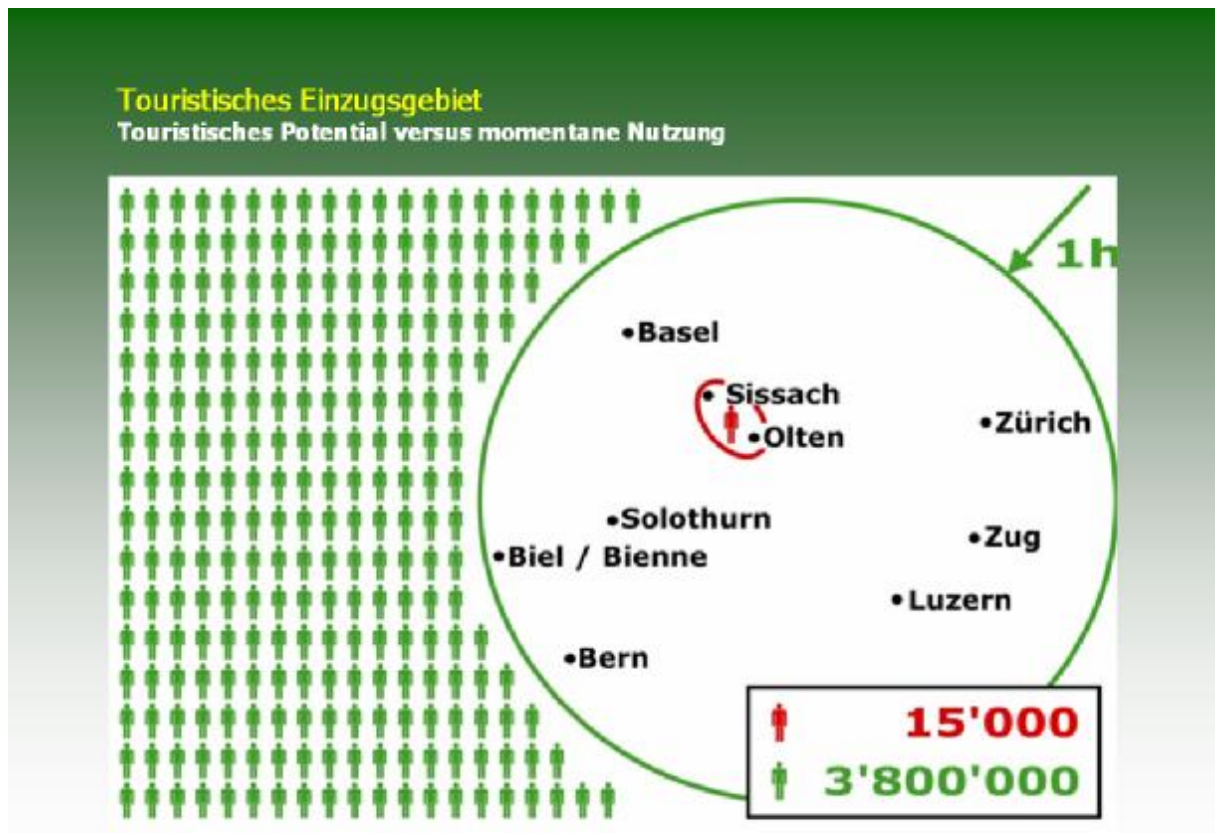


Fig. Shows the actual utilised potential (15'000 inhabitants of the region between Sissach and Olten) and the possible potential of the tourists living within an hour train journey of the two end stations of the line.

Due to the implementation of the most advanced and ecological efficient technologies it is possible to operate a modern steam train with costs which compare very favourable to the most electric trains in use today.

All the following assumptions are based on the economical model shown below and will have to be confirmed by a detailed business plan.

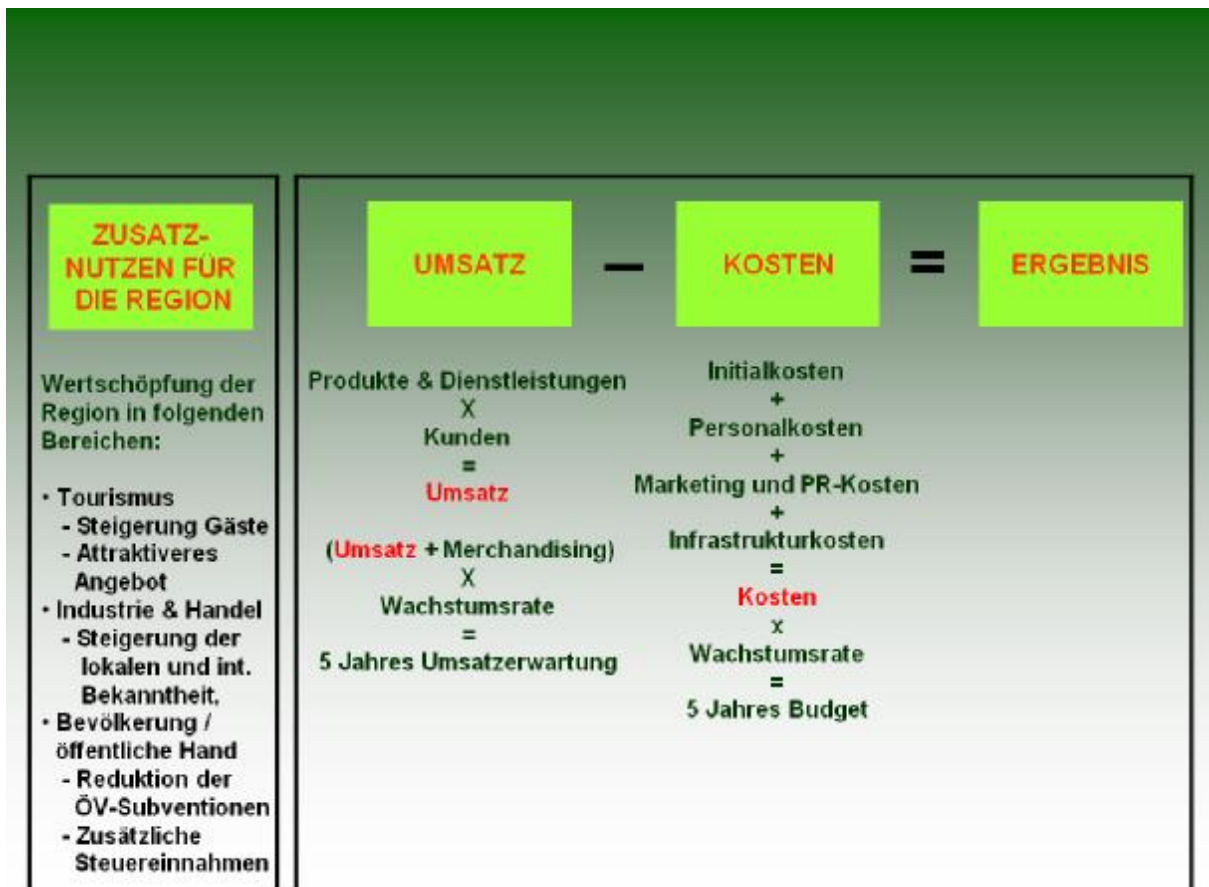


Fig. shows the commercial model on which all the following models are based upon.

Scenario 1

Maintaining the current operation by using modern electric commuter trains.

Advantages

- Public transport is maintained
- Good connection to the main lines in Olten
- Line (infrastructure) will be maintained
- Can be realised immediately

Disadvantages

- No economical add on value for the region
- High investment costs
- Same - relatively high - operation costs
- Same low income
- Same need for high government subsidy

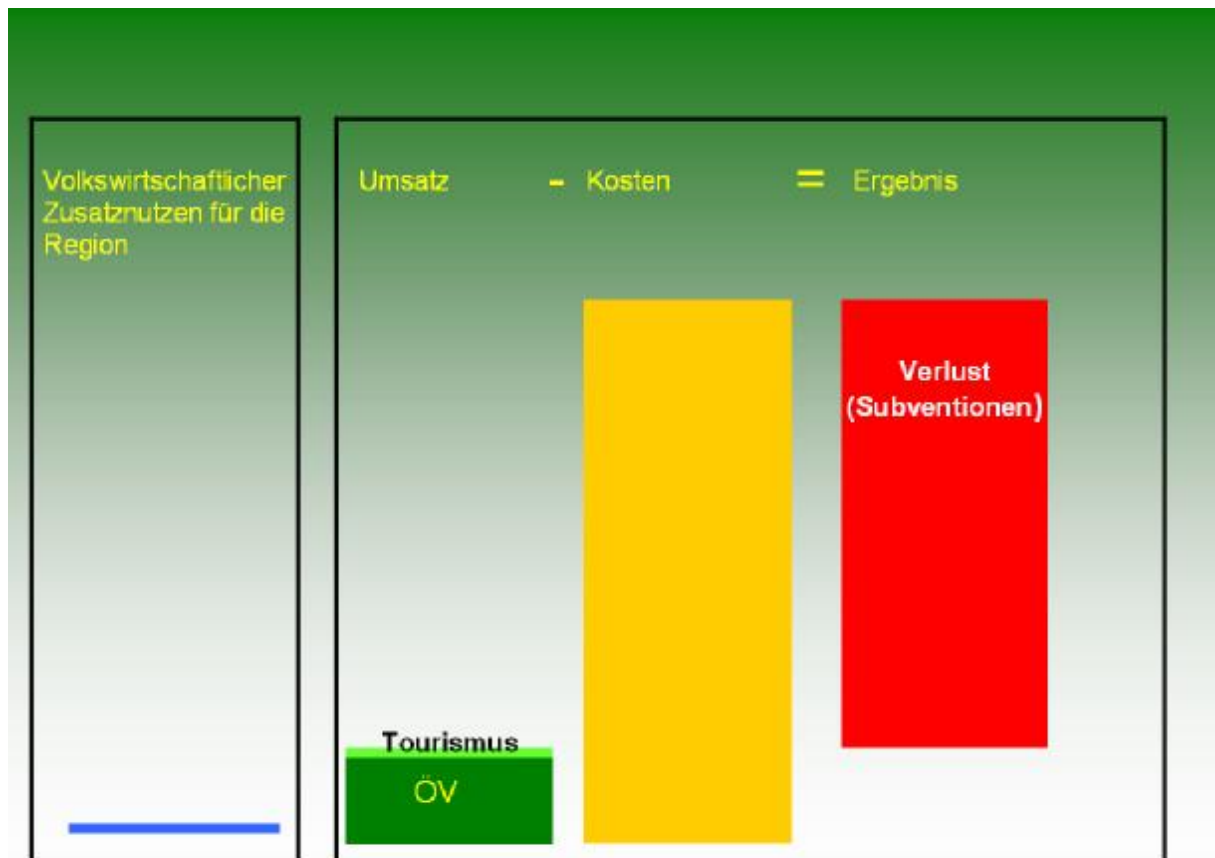


Fig. Scenario 1

Scenario 2

Replacing the train by a bus service

Advantages

- Public transport is maintained
- Can be realised immediately
- Low investment and operating costs
- Low government subsidy
- Better accessibility for the public (more stops in the villages)

Disadvantages

- No economical add on value for the region
- Same low income
- Unfavourable situation re. connection to the main railway lines in Olten
- Line (infrastructure) will have to be maintained (by pass function to the main line)
- Reliability not guaranteed (traffic situation, weather conditions winter)
- Negative impact on road system

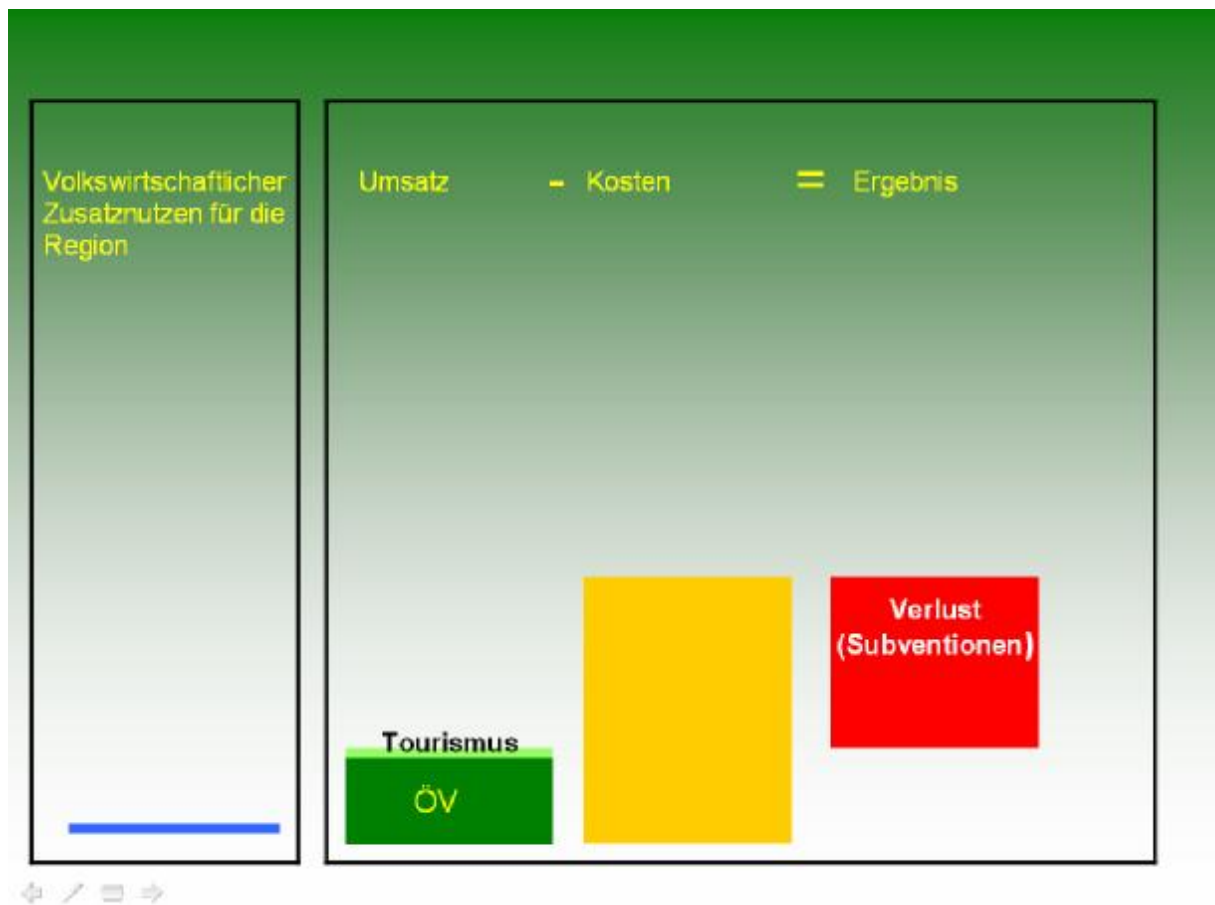


Fig. Scenario 2

Scenario 3

Maintaining the railway operation by using modern steam trains

Advantages

- High economical add on value for the region (tourism, industry, commerce)
- Public transport is maintained
- Good connection to the main lines in Olten
- Line (infrastructure) will be maintained
- Substantial reduction of the necessary government subsidy

Disadvantages

- High investment costs
- Same operating costs
- No quick realisation (3 – 4 years)
- Pioneering project

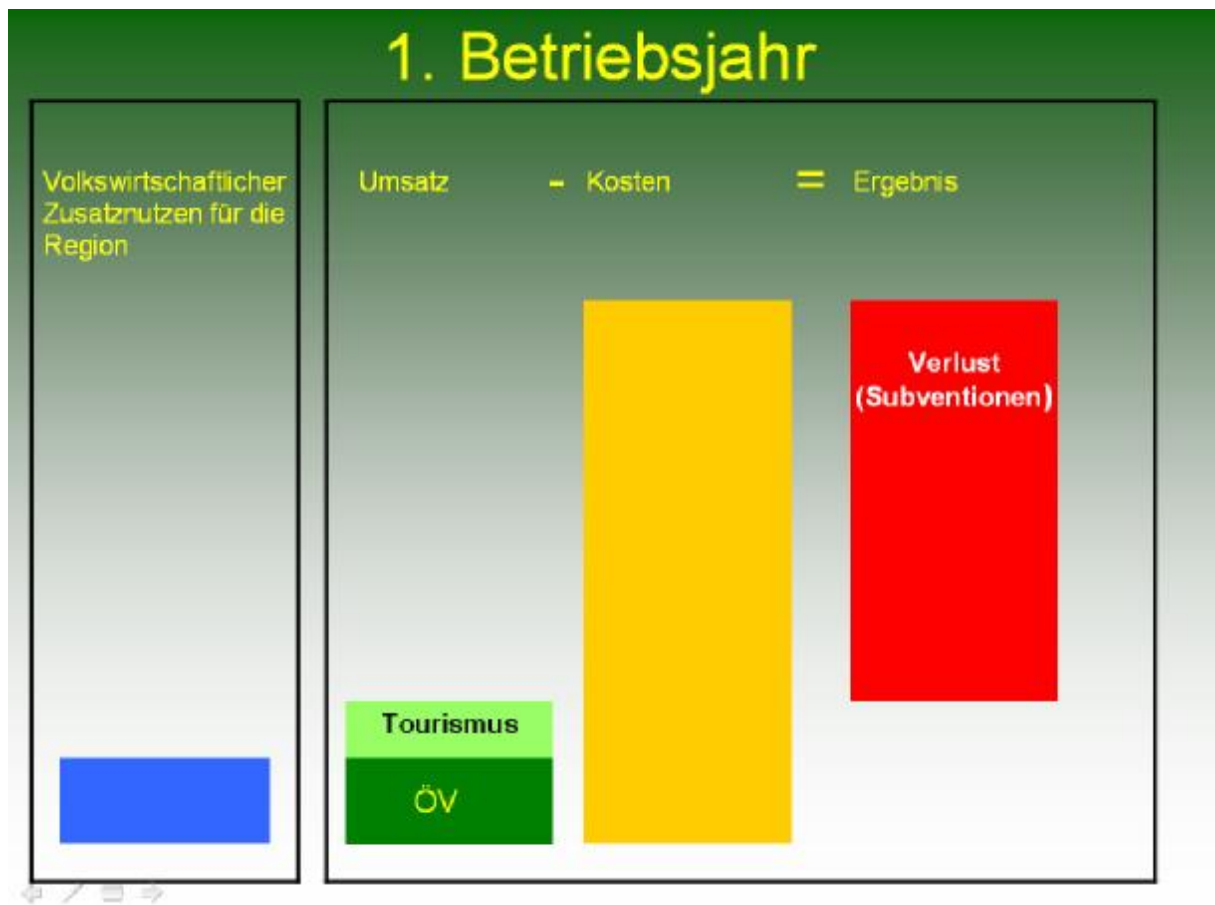
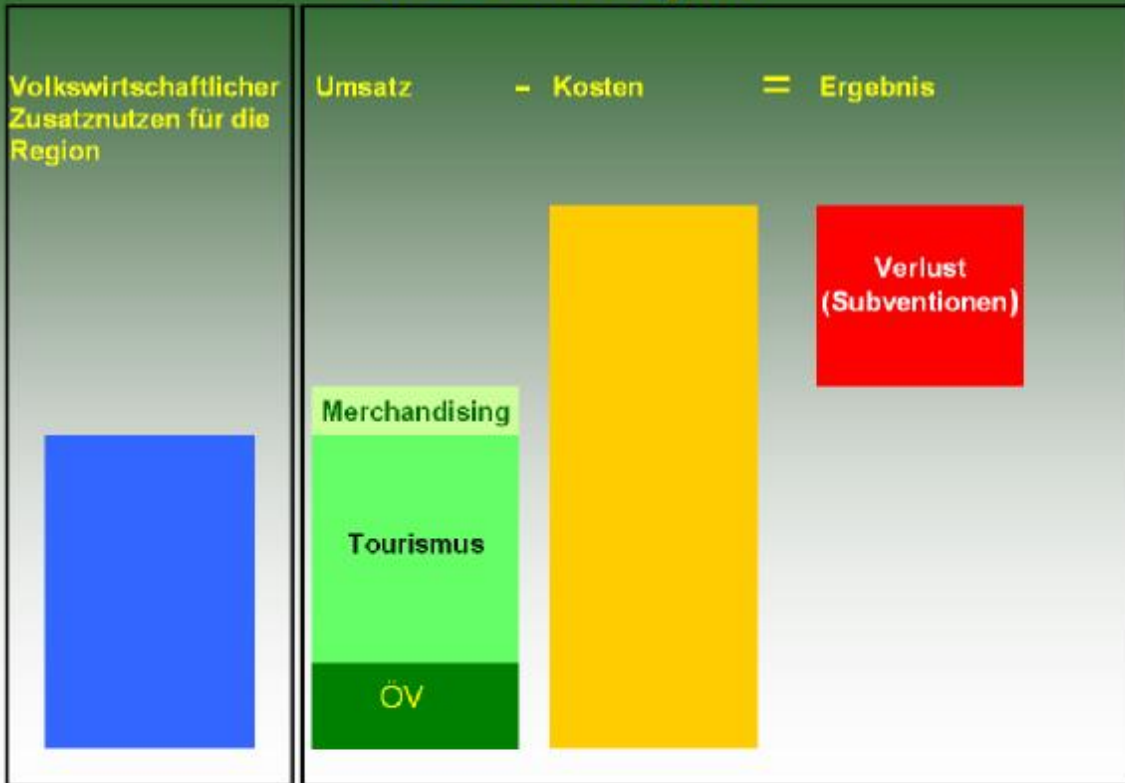
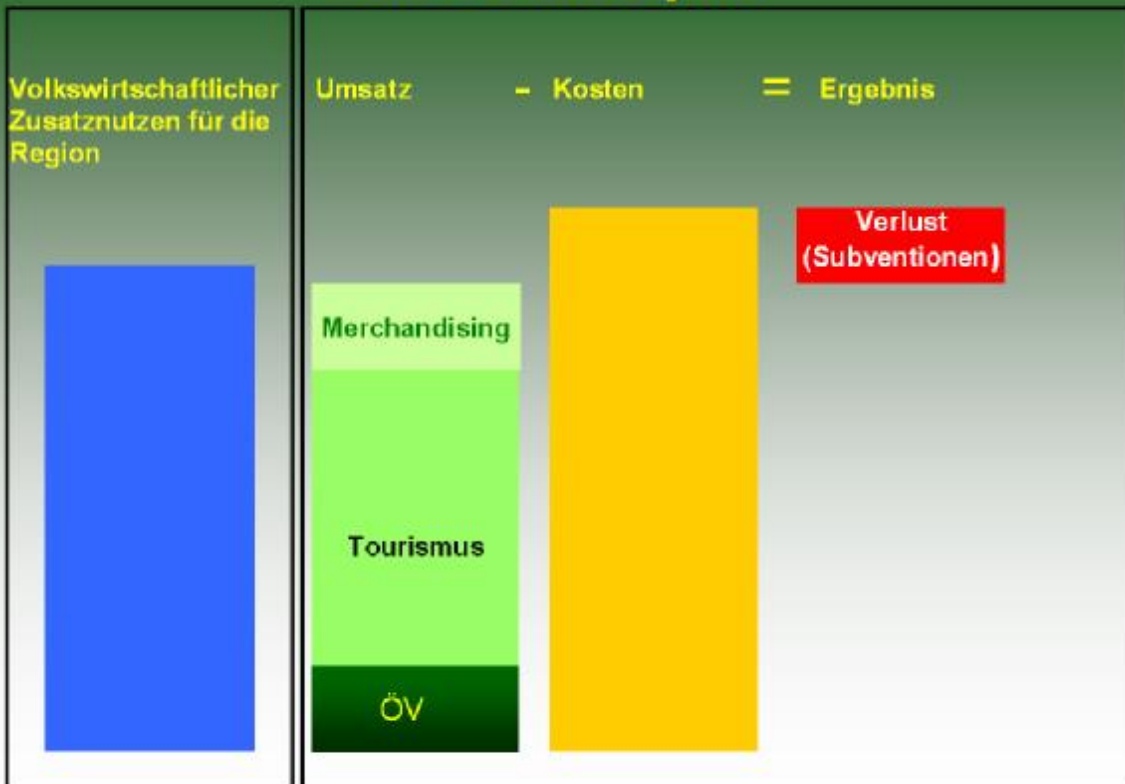


Fig. Scenario 3

3. Betriebsjahr



5. Betriebsjahr



Proposed business plan

I. Management Summary

1. History
2. The idea
3. Investment (Rolling stock, infrastructure, additional commercial activities)
4. Vision
5. Strategy
6. Management
7. Products and services
8. Market and target market position in 3, 5, 10 years
9. Financial planning
10. Chances and risks
11. Offers possibilities for cooperation
12. Time span, further development and innovation

II: The structure of MSaH

1. Legal forms and structure of the capital
2. Owners
3. Strategic and operational partners
4. Controlling
5. Licence / assignments for public transportation

III: Management and staff of the MSaH

1. Organisation chart
2. Responsibilities
3. Training and experience of key persons in the management
4. Planning and training of personnel
5. Job descriptions
6. Legal aspects of employees (work contracts)

IV: Products and services of the MSaH

1. Detailed description of the products and services (including additional businesses) and customer benefits
2. Operational concept / time table
3. General activities / events
4. Further developments and innovation (i.e. feeder service to the stations)

V: Markets

1. Market (potential and growth)
2. customer demographics
3. Planned turn over
4. Competition

VI: Marketing

1. Markets and target groups
2. Integration the local tourism organisations
3. Public relations and promotion
4. Sales of the services
5. Policy re. products, services and prices
6. Added on value fort he different regions

VII: Production cost / investments

1. Acquisition and location of the rolling stock
2. Infrastructure / additional businesses
3. Capacity, necessity of a 2nd locomotive (maintenance, technical problems, extension of the line to Basel, etc..)
4. Stock, suppliers, calculation

VIII: Miscellaneous

1. Patents and trade mark protection
2. Risk management and insurance policy
3. Public engagement
4. Mission statement

IX: Road map

1. Key dates
2. Targets

X: Finance

1. Budget balance sheet
2. Asset and investment planning for the different scenarios

2. Implementation and course of action

The graphic below shows a schematic overview of the mile stones of the project "Modern Steam am Hauenstein". At the moment the project is in phase 2. The founding of the Modern Steam m Hauenstein Ltd. is complete. The further progress is dependent on the interest shown by the public and the politicians of the region. Only if there is a substantial support by the public and the political bodies, will the next step be executed.

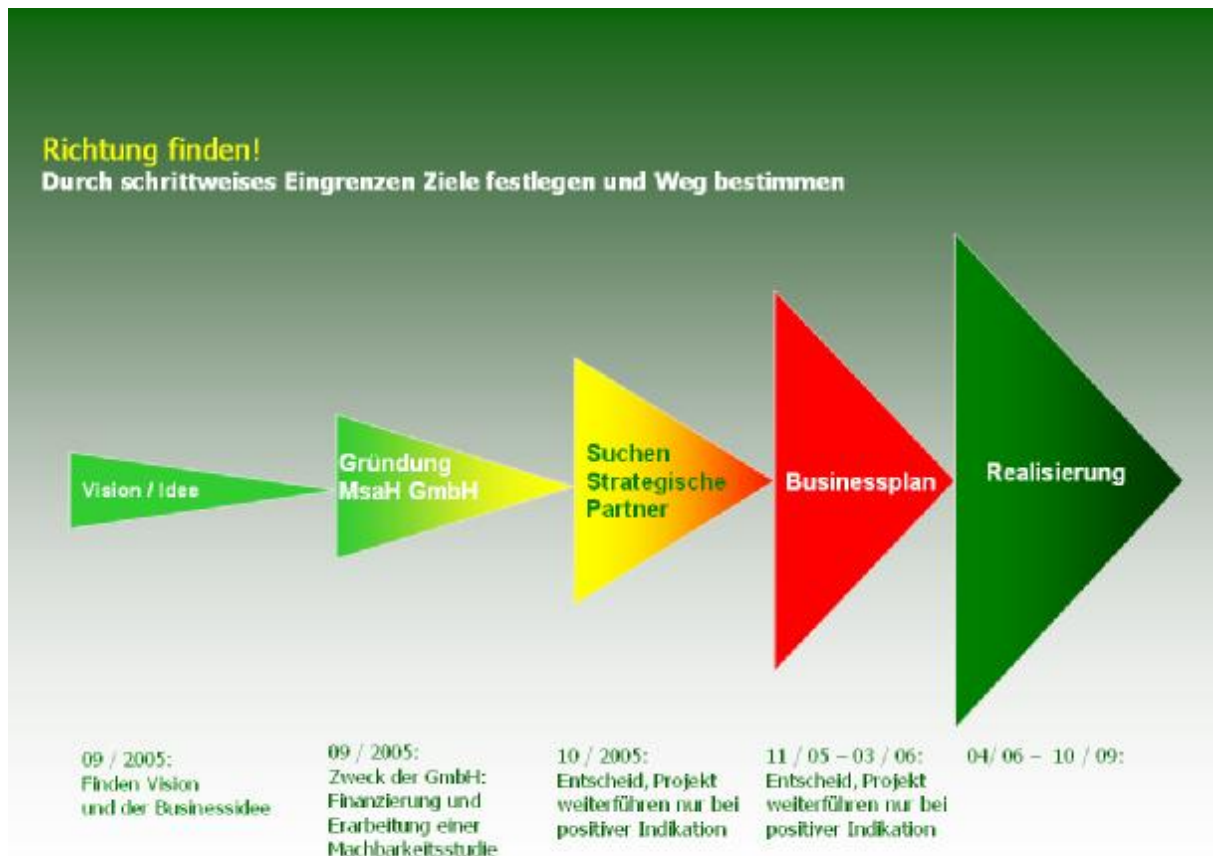
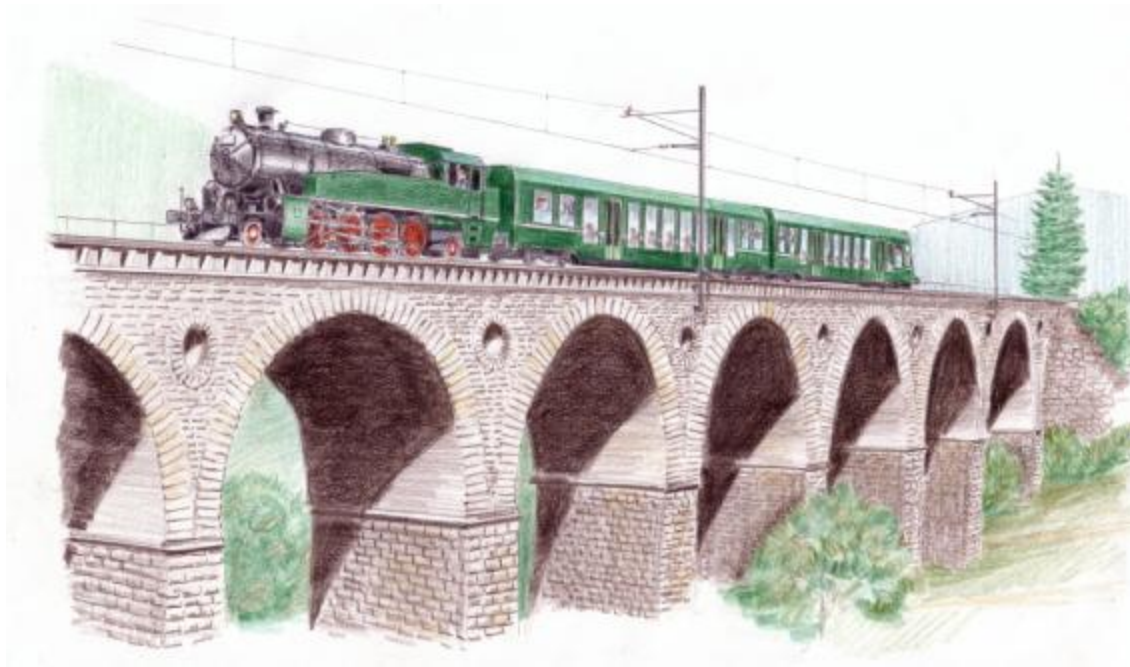
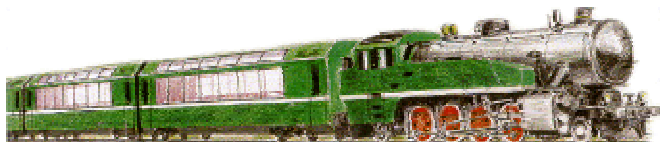


Fig. Road map



Full steam for a region

A modern steam commuter train operating daily according to a synchronised time table is unique and will gain much interest throughout Europe.



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