

No. 4140

**ITALY
and
FRANCE**

**Convention concerning the construction and operation of
a tunnel under Mont Blanc. Signed at Paris, on
14 March 1953**

Final Procès-Verbal. Signed at Rome, on 16 May 1953

Official text: French.

Registered by Italy on 3 January 1958.

**ITALIE
et
FRANCE**

**Convention relative à la construction et à l'exploitation
d'un tunnel sous le mont Blanc. Signée à Paris, le
14 mars 1953**

Procès-verbal définitif. Signé à Rome, le 16 mai 1953

Texte officiel français.

Enregistrés par l'Italie le 3 janvier 1958.

[TRANSLATION.— TRADUCTION]

No. 4140. CONVENTION¹ BETWEEN ITALY AND FRANCE
CONCERNING THE CONSTRUCTION AND OPERATION
OF A TUNNEL UNDER MONT BLANC. SIGNED AT
PARIS, ON 14 MARCH 1953

The President of the Italian Republic and the President of the French Republic, recognizing that the establishment of permanent road communication between the two countries by means of a tunnel connecting the valleys of Chamonix and Courmayeur through Mont Blanc would be in their common interest, have decided to conclude a convention to this end and have accordingly designated as their plenipotentiaries :

The President of the Italian Republic :

Mr. Eugenio Prato, Assistant Director General for Economic Affairs in the Ministry of Foreign Affairs;

The President of the French Republic :

Mr. François de Panafieu, Minister Plenipotentiary,

who, having communicated their full powers, have agreed upon the following provisions :

Article 1

The Italian Government and the French Government undertake to share equally the task of tunnelling through Mont Blanc on the basis of the technical plan submitted by the Mont Blanc Tunnel Syndicate.

Article 2

Construction of the tunnel shall be assigned to a French company and an Italian company, each of which shall complete half of the total length.

The articles of association of these companies shall be approved by their respective Governments.

The companies shall receive concessions for the exclusive purpose of constructing and operating the tunnel and its annexes; these concessions shall be granted by their respective Governments in accordance with the conditions fixed by the present Convention.

¹ Came into force on 26 June 1957, upon the exchange of the instruments of ratification at Rome, in accordance with article 18.

Article 3

The Italian Government and the French Government shall come to an agreement respecting the terms of the concession granted by each of them and of the specifications attached thereto.

The two Governments shall endeavour to fix terms which shall be as similar as possible and shall not subsequently modify these terms except subject to a previous agreement. Any change in the tolls, as well as any repurchase or cancellation of the concessions, shall take place only by agreement between the two Governments.

Article 4

The waters and useful minerals found in the course of building the tunnel shall be allocated under the laws of the State on whose territory the discovery is made, irrespective of which company makes the discovery.

Article 5

The Italian Government and the French Government shall each appoint one-half of the members of a Supervisory Commission which shall consist of six members.

The Chairman, who shall have a casting vote in the event of a tie, shall be of Italian and French nationality alternately. He shall be appointed from among the members of the Commission, by agreement between the two Governments, for a period of one year.

The Supervisory Commission shall oversee the progress of work and submit its observations in the form of reports addressed simultaneously to the Italian and French Governments.

In case of emergency, it shall have the power to order the execution or cessation of specified work for reasons of safety.

In extreme emergency, the Chairman shall have the power to act in place and on behalf of the Commission.

Article 6

The two Governments undertake to construct, in due course, the sections which are to link the tunnel entrances with the Italian and French highway systems.

Article 7

The concessionary companies shall assign the operation of the tunnel to an incorporated company and each shall subscribe one-half of the capital of such incorporated company, the Board of Directors of which shall be composed of an equal number of representatives of the concessionary companies.

The Chairman of the Board of Directors, who shall be appointed for five years, shall be of Italian and French nationality alternately.

The Managing Director shall not be of the same nationality as the Chairman.

The company shall distribute one-half of the receipts to each of the two concessionary companies, after the deduction of the sums necessary for the operation, maintenance and upkeep of the tunnel.

Article 8

The concessionary companies shall operate the tunnel at their own risk. A mixed Franco-Italian commission shall be responsible for the supervision of the operation, maintenance and upkeep of the tunnel.

Article 9

The operating and maintenance staff shall, as a rule, consist of an equal number of Italian and French nationals who shall be of equal rank.

By way of exception the staff responsible for the ventilation may consist of specialized persons approved by the Supervisory Commission without reference to the rule in the preceding paragraph.

Article 10

Every year the Board of Directors of the Operating Company shall submit a documented report on its work to the Italian and French Governments.

Article 11

The concessions provided for in article 2 shall terminate seventy years from the date which shall be fixed by agreement between the Italian and French Governments upon delivery of the works.

Article 12

Monetary, fiscal, customs and social questions arising out of the construction and operation of the tunnel shall be covered by special agreements between the Italian Government and the French Government.

Article 13

Each Government shall assume the cost of its own customs, police and medical services.

The Operating Company shall be responsible for regulating traffic in the tunnel and shall require the police officers entrusted with this duty to be sworn in, in conformity with the laws of both countries.

Article 14

A perpendicular line from the frontier in the open air shall constitute the Franco-Italian frontier inside the tunnel.

Qualified and authorized representatives of both sides shall have the right to cross the frontier freely for any customs or police inquiry within the limits of the concessions.

Article 15

Immediately upon termination of the two concessions for any reason whatsoever, the tunnel shall become the common and indivisible property of the Italian and French States and shall be operated jointly on the basis of equal rights and responsibilities.

The terms of the joint administration shall be governed by an agreement previously entered into between the two Governments.

Article 16

The Italian Government and the French Government shall by common agreement appoint a single arbitrator to settle any disputes between the two concessionary companies.

Any difficulty arising in connexion with carrying out the arbitrator's decision shall be settled in accordance with article 17.

Article 17

Any dispute between the two Governments concerning the interpretation or application of the present Convention or concerning one of the concessions granted under the terms of article 2 shall, if not settled within a reasonable period by diplomatic or other amicable means, be submitted to an arbitral tribunal whose decision shall be binding.

The arbitral tribunal shall consist of two members and a referee. Each of the two Governments shall designate one member. The referee, who shall not be a national of either of the two countries, shall be appointed by agreement between the two Governments.

If the referee has not been jointly appointed within a period of six months from the time the dispute is submitted for arbitration by one of the two Governments, the President of the International Court of Justice shall make the appointment at the request of the party which first makes an application.

Article 18

The present Convention shall enter into force upon the exchange of the instruments of ratification.

IN WITNESS WHEREOF the respective plenipotentiaries have signed the present Convention and have thereto affixed their seals.

DONE at Paris, 14 March 1953, in duplicate.

For the President
of the Italian Republic :
E. PRATO

For the President
of the French Republic :
F. DE PANAFIEU

FINAL PROCÈS-VERBAL. SIGNED AT ROME,
ON 16 MAY 1953

The Inter-Governmental Commission for the Mont Blanc Tunnel met at Rome from 12 to 16 May 1953 and adopted the provisions of the present financial *Procès-Verbal*, which replace those of the financial *Procès-Verbal* adopted at the Paris session of 10 to 14 March 1953.

1. The French and Italian concessionary companies established by the Convention signed on 14 March 1953¹ shall be constituted in accordance with the conditions laid down below.

2. The capital of the French concessionary company shall be distributed as follows :

	<i>Million francs</i>
French State	210
French municipal bodies	40
State and City of Geneva.....	30
Private individuals	120
	400

The subscribers shall, moreover, pay to the French concessionary company the following amounts by way of subsidy :

	<i>Million francs</i>
French State	1,790
French municipal bodies	10
State and City of Geneva.....	220
	2,020

The French Government shall extend its guarantee to medium-term credits to an amount of 2,000 million francs, which shall be replaced subsequently by the issue of bonds also guaranteed by the French State.

3. The capital of the Italian concessionary company shall be distributed as follows :

	<i>Million lire</i>
Italian State and public bodies	342
State and City of Geneva.....	50
Private subscribers	408
	800

¹ See p. 223 of this volume.

The subscribers shall, moreover, pay to the Italian concessionary company the following amounts by way of subsidy :

	<i>Million lire</i>
Italian Government	2,743
Italian public bodies	915
State and City of Geneva.....	379
	<hr/> 4,037

The Italian concessionary company shall obtain the remaining funds required to carry out its contractual obligations, including the 1,200 million lire referred to in article 5 below, by means of loans placed in Italy.

4. In case any variation should occur in the rate of exchange of the French franc and the lira with the Swiss franc, it is agreed that the contributions of the State and City of Geneva shall remain fixed at three million Swiss francs each.

The subsidies contributed by the State and City of Geneva shall be paid to each of the concessionary companies in the following manner, in proportion as the work of each progresses :

—one-quarter on completion of the installation of the equipment at the start of the work;

—a second quarter on completion of the first third of the tunnelling operation;

—a third quarter on completion of the second third of the tunnelling operation;

—the final quarter on completion of the tunnelling and of the lining of the tunnel.

5. If the concessionary companies agree that one of them should carry out a part of the work for which the other is responsible, the company performing the work shall be reimbursed for such work together with interest at the rate of 5 per cent, to be charged against the profits earned by the other company before payment of the statutory interest on *A* and *B* shares and up to one-third of said amount annually.

The Italian delegation agrees forthwith, on behalf of the Italian concessionary company, to carry out at the request of the French concessionary company a quantity of work which shall be assessed on the basis of the prices of the contracts entered into by the Italian concessionary company, up to a limit of 1,200 million lire.

6. (a) The capital of the French company shall consist of *A* and *B* shares. The *B* shares shall constitute the capital subscribed by the French Government; the *A* shares shall constitute the capital subscribed by the other shareholders.

(b) The articles of association of the French concessionary company shall fix the method of determining profits.

(c) *A* and *B* shares shall receive statutory interest at the rate of 6 per cent of their nominal value, to be paid by priority out of profits.

(d) *A* shares shall be redeemable from the proceeds of a special fund maintained by drawing against profits and shall be replaced by *jouissance* shares which shall participate only in the distribution of excess profits.

(e) Excess profits shall be distributed between the shareholders and the subsidizing municipal bodies.

In the French company, this distribution shall be made in proportion to the amount of capital and subsidies.

In the Italian company, excess profits shall be distributed in the following manner :

- one-quarter to the shareholders
- three-quarters to the subsidizing public bodies.

7. The Commission recommends that the articles of association adopted by the Italian concessionary company shall be as similar as possible.

8. The Board of Directors of the French concessionary company shall consist of the following :

- A Chairman appointed by the French Government;
- Six Directors appointed by the French Government;
- Three Directors representing the private group;
- Two Directors representing the State and City of Geneva;
- One Director representing the French public bodies.

9. Switzerland shall be represented in a similar manner on the Board of Directors of the Italian concessionary company.

10. The articles of association of the Operating Company shall be submitted for the approval of the French and Italian Governments.

11. The Board of Directors of the Operating Company shall include two non-voting advisory Directorships, which shall be reserved for representatives of the State and City of Geneva.

12. The French and Italian construction companies shall obtain material, equipment and other supplies in Switzerland equivalent to approximately half the amount of the subsidy of the State and City of Geneva, insofar as price and exchange conditions permit.

Rome, 16 May 1953.

E. PRATO

F. DE PANAFIEU