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# Some basic thoughts on relations between the ropeway industry and the authorities

Photo: BMVIT



**Gerhard H. Gürtlich (\*)**

## 1. Introduction

The importance of winter tourism cannot be overestimated. There is a whole list of well known (and usually very impressive) figures available to underscore this argument. Here is a selection:

- From 1975 to the present bednights in winter tourism have tripled.
- Total revenue generated via bednights in winter tourism is in the magnitude of € 11 billion per year.
- Winter tourism accounts for 4.1 % of gross domestic product (GDP) and is thus comparable with banking and insurance.
- Winter sports sustain some 250,000 jobs.
- Winter tourism generates about € 1.8 trillion in taxes and social security payments per year. (Source: WIFO, Austrian Ropeway Federation)

The list can be extended almost infinitely, for example to include the VAT returns from winter tourism. But the case of VAT is a good example of the questionable relevance of some of these figures. After all, what would

happen to that VAT if there was suddenly no winter tourism? Without winter tourism there would be no taxable sales in that field and no VAT would be due. But the money not spent on winter tourism would be spent on something else, i.e. the spend would migrate from one industry to another and the VAT related to that spend would migrate from winter tourism to an alternative sector of the economy. In other words, it would not disappear but would be transferred to some other industry and would have to be included in the statistics for that industry. We can therefore say that the VAT is not a specific product of winter tourism and is therefore an unsuitable ratio for demonstrating the importance of the winter tourism industry.

The question whether the individual ratios are meaningful or misleading depends on the objective involved and has to be assessed in the individual case. It is nevertheless a fact that there are complex interactions between winter tourism and the country's various social and economic spheres.

## 2. Fundamentals

Like any other industry, winter tourism involves certain production factors, which are needed to create marketable products and services. On the basis of general management theory, they can be assigned to categories that are specific to winter tourism:

- “inexhaustible” factors (mountains with the necessary altitude and suitability for recreational activities),
- incalculable factors (weather or the climate needed to guarantee low temperatures and snow),
- investment factors (the hotel and catering trades, leisure amenities, winter sports gear and equipment, lifts, etc.),
- wage and salary factors (personnel, from management to unskilled labor), and

- additional factors (infrastructure for travel to and from the resort, for utilities and disposal, and for hazard protection, mitigation and repair, as well as information systems, etc.).

In terms of production economics we can therefore say that,

- through the planned, efficient and regular deployment of the above production factors in a suitable production process, services can be produced
- that can and do attract demand from the individual consumer on the winter tourism market.

The “inexhaustible” and incalculable factors can be subsumed under the heading of non-influenceable production factors, which are resistant to political or entrepreneurial decision-making. Non-influenceable factors are a wonderful subject for philosophy, debate and polemics. At all events they defy management. And yet they are an essential production requirement in winter tourism.

That leaves us with the manageable production factors, which can be influenced through political or entrepreneurial decision-making, i.e. the group comprising the investment, wage and salary, and additional factors. The very fact that they can be influenced makes them key factors for the success or failure of winter tourism operations for a company, or a municipality or region. They are accordingly the object of constant political and entrepreneurial decision-making and management measures.

The players in the general political system (not party-political), which can also have a longterm impact on the influenceable production factors of winter tourism, include the authorities in general and the ropeway au-

thorities in particular. Through their activities (or lack of activity) they can contribute to or hinder the further development of winter tourism in terms of production economics. Within the winter tourism system, the position of the authorities is a difficult one as the following aspects show:

- In the case of national authorities, the elected representative of a political party is entrusted with the task of steering an administrative body. He or she sets the objectives and is ultimately responsible for all the decisions taken by that body.
- In keeping with the strict principle of legality anchored in the Austrian constitution, the authority must be objective and must ensure that all its acts comply with the legal norms.
- The authority steers the production processes involved solely on the basis of the legal norms. The discretionary powers of the authority are limited, and that makes it difficult to focus on the economic aspects of the decisions taken. Ultimately, the legal concepts of proportionality and expediency do suggest that economic aspects also play a role in the authorities' activities (although the terms are difficult to define with any precision and hence defy quantification, which is a further reason for the perceived ambivalence of the actions of the authorities).

As the supreme ropeway authority in Austria, the Federal Ministry of Transport, Innovation and Technology (BMVIT) is accordingly primarily responsible for institutional matters and questions of safety. Nevertheless, through its actions (or failure to act), it also has an impact on the processes of production economy in winter tourism, as the following examples show:

- Conditions imposed by the authorities can increase total investment costs and cause permanent follow-up costs.
- Operating licenses enable businesses to participate in the winter tourism market.
- Official inspections reduce market opportunities.
- The right to approve appointments and "define rules" for operations managers enables the authority to play a role at the level of income, etc.

As an indication to the outside world that authorities influence processes of production

economics through their official activities, they (and the supreme Austrian ropeway authority is no exception) usually operate with a mission statement emphasizing the fact that they see themselves as legal service organizations and as such are there to help their "clients" with their various needs and concerns.

These and similar aspects round off the legally defined fields of activity of an authority. They can be seen as an expression of the authorities' awareness that, through their acts or failure to act, they influence and may even steer client processes at the level of production economics.

This insight is important for the ropeway operators.

The ropeway operators are the supreme ropeway authority's clients. As commercial enterprises operating in the framework of a market economy, they are ultimately subject to the golden rules of making a profit and reducing costs. To that extent, all aspects that cause an increase in costs or a drop in profits are seen as negative factors that are detrimental to the company's goals. That also includes the activities of the authorities, since conditions imposed in the interest of operating safety can also be seen as a necessary evil entailing automatic increases in costs.

In the interest of the image they project to the outside world, the ropeway operators tend to develop mission statements that focus on the need to protect third-party interests as well as achieve their individual commercial goals. The intention here is to stress the fact that, through their activities at the level of production economics, ropeway operators can impact the environment in the widest sense. These and similar factors apply in addition to the goals of avoiding costs and making a profit and transport the message that macro-economic goals are more important than individual profit-based activities.

This insight is important for the ropeway authorities.

### 3. A possible conclusion

Where tasks and objectives differ, mutual understanding presupposes full information.

Whereas the ropeway operators have and make use of a wide variety of channels of communication, the "other side" has a deficit in terms of external communicative impact. The BMVIT as the supreme ropeway authority has therefore set itself the task of providing the necessary information on critical subjects and making a contribution to the general debate in the industry. In order to achieve this goal, regular articles are to be published on relevant legal and technical questions.

As the BMVIT is represented on numerous international bodies, including the Standing Committee of the Commission for Cableways Designed to Carry Persons, OITAF (International Organisation for Transportation by Rope, in which the operators, manufacturers and supervisory authorities all come together to find common solutions to industry problems) and ITAB (international supervisory authorities), the Ministry's communication effort will include information on the latest international developments.

There will also be reports on forthcoming legal ordinances, which are to be issued in response to the amended Austrian Ropeway Law, such as the Ropeway Relocation Regulation, the amendment to the Regulation on Ropeway Structures not Requiring Approvals, the amendment to the Cableway Testing Regulation and the amendment to the Surface Lift Regulation. On the whole, all these legal ordinances will improve the situation for the ropeway operators without neglecting safety aspects in any way.

Most readers of the International Ropeway Review (ISR) are themselves ropeway operators and as such have an overriding interest in the economic aspects. This standpoint will also be catered for and reflected in publications produced by the supreme ropeway authority's staff. At all events, we are hoping for a lively debate in the interest of a better understanding of our mutual relations.

*Gerhard H. Gürtlich*

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# Net sales totaling EUR 616 million

In the 2008/2009 business year, Doppelmayr Holding AG was able to limit the downturn in sales to 9.4 % relative to last year's record result in spite of the difficult state of the market.

**At the balance sheet press conference** held on 18 November, Michael Doppelmayr presented the following break-down by region of sales worth EUR 616 million: Austria and Germany 30 %, Switzerland, Liechtenstein, France and Italy 20 %, USA and Canada 20 %, other European markets 7%, rest of the world 23%.

A total of 138 ropeway projects were handled with a headcount of 2,660 employees worldwide, including such spectacular installations as Whistler Mountain's world-record-breaking aerial ropeway by the name of Peak 2 Peak and the world's highest passenger ropeway in China with the upper terminal located at 4,843 m above sea-level.

With about 90 % of total sales, ropeways for the winter sports industry are clearly the biggest field of business at Doppelmayr. As a special innovation introduced in the past business year, Michael Doppelmayr mentioned the world's first child-proof chairlift

with official approvals built in Serfaus (Tyrol).

Funiculars are another important segment for Doppelmayr, and in the year under report the Austrian company installed rope-hauled systems as modern passenger transportation solutions in various cities of North and South America. A Cable Liner Shuttle built by DCC (Doppelmayr Cable Car) was commissioned at Mexico City's international airport, while two more installations – one in Las Vegas and one in Venice – are nearing completion, and other contracts are right on schedule in Caracas and Doha.

In Wolfurt, Doppelmayr is currently training 77 apprentices in its own teaching workshop. Established some thirty years ago, this facility offers apprentices outstanding employment prospects in a global company on completion of their training.

For the current financial year, Michael Doppelmayr is expecting a repeat of last year's re-



Photo: J. Schramm

Hanno Ulmer and Michael Doppelmayr at the 2009 balance sheet press conference

sults as the order books for North America and the countries of the East (with the exception of Sochi) are well down on the previous year.

In spite of the global financial and economic crisis, which has put a damper on all sectors of the capital goods industry, Michael Doppelmayr continues to view the future with equanimity as the company is well placed with its range of products and strategic orientation.

## Contracts handled in financial 2008/2009:



Photos: Doppelmayr

100-ATW Jackson Hole Tram, Jackson Hole Ski Resort, Jackson Hole, Wyoming, USA



CLS MGM CityCenter Shuttle, MGM Mirage Design Group, Las Vegas, USA

# From Sochi with Love

Do you know...

that Austrian is flying 3 days a week to Sochi and connects you with the rest of the world - via Vienna, Europe's fastest Transfer Airport.

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The logo for Austrian Airlines, featuring a stylized red and white wing or arrow shape pointing to the right.

## Over 100 ropeways in 20 years

With Loipolder lifts, the only way is up!

**This year**, Loipolder Seilbahn-Technik was again in Innsbruck for Interalp, the world's most important trade fair for the mountain resort infrastructure. For many customers from all over Europe, the event was the perfect opportunity to meet personally and learn all about Loipolder's new products. The focus at the LST Loipolder booth was naturally the company's latest products:

- Euro platter lift: The Euro platter lift is designed as a practice and connecting lift for beginners. The system has been kept as simple as possible without sacrificing any of the usual LST Loipolder quality.
- Compact drive for fixed-grip chairlifts: The drive is compatible with both double and quad chairs and scores with its reduced footprint. Both installation time and space requirements are kept to a minimum. (see ISR2/2009 page 70)

### 20<sup>th</sup> anniversary

2009 also marks the 20<sup>th</sup> anniversary of LST Loipolder. In 1989 the company was established by Peter Loipolder in Wegscheid / Lenggries (Bavaria) with just 5 employees. Peter Loipolder owed his know-how to 7 years spent as an engineer and head of customer service in the ropeway industry. In the first few years, the company manufactured surface lifts, spare parts for ski lifts and the famous LST 260 hydrodynamic springbox.

Since then the company's product portfolio has continually grown. Today the company has the biggest product portfolio ever: Euro platter lift, Double T-bar, Double chairlift, Quad chairlift, Detachable systems.

### Strengths

The strong point of LST's ropeway engineering is the modular design of all the items in the company's portfolio, including grips, sheave trains, carriers, and the drive and return stations. That makes it possible for the company to react quickly and flexibly to market requirements and to offer convincing customized solutions. The modular system pays off for refurbishment and conversion projects as well as for new installations.

Some practical examples:

- The low-maintenance LST 200 and LST 260 towing hangers are a popular solution for the refurbishment of long-serving surface lifts.
- LST's lightweight double chair has already brought a new lease of life to many older chairlifts in Germany, Romania and Sweden.
- In Oberaudorf (Germany), LST Loipolder has demonstrated how its modular system can be used to upgrade an existing chairlift into a modern detachable installation.



Photos: Loipolder

LST 200 Magnetik hangers



Double ski lift chairs



Euro platter lift – drive station



Detachable chairlift

# Urban cableways going up

ISR recently conducted the following interview with Michael Seeber on Leitner's activities in the field of local public transportation.



Photos: Leitner

**Michael Seeber**  
President Leitner  
Technologies

**ISR:** Is Leitner currently involved in the planning or construction of any new ropeway projects for urban public transportation?

**Michael Seeber:** At present we are handling the refurbishment of the historical Roosevelt Island tramway at the heart of New York and we are building a MiniMetro in Cairo, which is due to open next year as a link between two airport terminals.

One project that is especially fascinating is a gondola that serves the city center in Manizales and is completely integrated in the public transportation network. The city is located in a coffee-growing area in the mountains of

Colombia at 2,000 m above sea-level, and both passenger and materials-handling ropeways have played a role in the infrastructure there for decades. The ride to downtown Manizales takes less than half the time needed with conventional public transportation systems.

Talks are currently being held on the construction of an APM for the new central railway station in Vienna. Here, too, a Mini Metro would be the ideal solution for such an exciting project. The one we built in Perugia is providing trouble-free service. It recently carried no fewer than 75,000 passengers on the two days of a single weekend during the big Eurochocolate exhibition.

**ISR:** What levels of availability are typically specified by the client in the case of an urban public transportation ropeway?

**Michael Seeber:** Reliability is always a very high priority; in fact it is just as important as in a ski area. In Perugia the MiniMetro

achieved a technical availability of 98.6% in its first year of public service. That figure speaks for itself.

**ISR:** What's the situation with regard to user acceptance for the systems built to date?

**Michael Seeber:** It is very high. We have figures for the Nordkettenbahnen in Innsbruck and for the MiniMetro in Perugia. In both cases the results are clearly positive. Following refurbishment of the jigbacks and completion of the link to the city center, the total number of rides on Innsbruck's Nordkettenbahnen was up by 40%, and 91% of passengers said they would be happy to recommend use of the ropeway system. Similarly, the MiniMetro in Perugia carried a total of 3.5 million passengers in the first twelve months of public service, and in Medellin, in Colombia, our ropeway transported no fewer than 19 million passengers in a single year.

**ISR:** Do you have any feedback about the characteristics or advantages of your urban systems that make them most attractive?

**Michael Seeber:** We know from polls carried out among passengers that they particularly appreciate the short wait and high level of safety. The innovative features and eco-friendly operation of our systems also make a positive impression.

**ISR:** What scope for further developments do you see in the solutions you provide for urban public transportation systems so as to be even more successful in this field in the future?

**Michael Seeber:** Our goal for the future is to achieve higher line speeds so as to increase system capacity. And for residential areas, we will also be paying more attention to reducing noise emissions.

**ISR:** Mr. Seeber, thank you for taking the time to talk to us.



Two cars on the overhead guideway of the Lina Rossa

# Exclusive interview

Thanks to Erwin Stricker's excellent contacts, ISR has been able to conduct this exclusive interview with Leonid Tyagachev, President of the ROC (Russian Olympic Committee), member the IOC Council (International Olympic Committee) and Vice-president of the FIS (International Skiing Federation).

**ISR:** The 2014 Winter Olympics in Sochi will soon be upon us. Are you satisfied with the progress made to date?

**L. Tyagachev:** Very satisfied in some respects, less so in others. But that is normal with major events of this kind.

**ISR:** The world economic crisis cannot be good for Sochi. Are you feeling the effects?

**L. Tyagachev:** Of course, but every crisis is also an opportunity – as with Nature, where the weak fall by the wayside while others emerge strengthened from the crisis. For me, there is no doubt that the 2014 Winter Olympics in Sochi will be among those who gain by the crisis.

**ISR:** How do you mean?

**L. Tyagachev:** You see, it was Vladimir Putin, while he was our President, who wanted the Winter Olympics to be held in Russia in 2014, and his personal commitment led to the acceptance of Sochi's bid. It is common knowledge that Vladimir Putin is a man of his word, and in this case his word and his willpower are the biggest guarantees of success.

**ISR:** There are rumors of delays in the construction of the facilities.

**L. Tyagachev:** I can deny that. We are making good progress with the work; the airport is practically finished, construction work for the road and rail links is on schedule, the contracts have been signed for the stadiums, and work on the lifts and trails for the skiing events is also well advanced.

**ISR:** How well?

**L. Tyagachev:** We are doing a fantastic job in Krasnaja Poliana. The experts from the FIS are at work on the site, the trails have been designed by former World and Olympic Champion Bernhard Russi, and the earth and construction works are being personally handled by former World Cup winner Paul Accora and his team. In addition, the ski guru Karl Schranz is serving as personal advisor to our President. The roads, car parks, lodges and lifts have been partly completed already, and other items – like the snowmaking installa-

tions – are under construction. It would be impossible to do more in such a short space of time.

**ISR:** No problems?

**L. Tyagachev:** Of course there are problems, too, but problems are there to be solved. Such big events are always likely to be confronted with all kinds of unforeseen difficulties – nasty geological surprises, construction companies that fail to deliver, suppliers that go bankrupt, payments that cannot be made on time. And unforeseeable problems can always cause delays.

But we are in the process of creating something truly outstanding; Sochi and the whole Krasnodar region are being given an infrastructure that they will benefit from for decades. The work obviously involves serious impacts, too, but we have moved with the times to ensure that the works are environmentally friendly and economically sound. We have no interest in leaving behind ruined buildings or ghost towns; we have set ourselves the twin goals of learning from past mistakes and creating a new benchmark at the same time.

**ISR:** How do you hope to do that?

**L. Tyagachev:** By always building for the time after the Olympics. The second ice stadium, for example, is an exciting modular steel structure that will be disassembled after the Games and rebuilt in its final location in Siberia. That avoids the problem of a super-



Photos: E. Stricker

Leonid Tyagachev  
President of the ROC (Russian Olympic Committee)  
Member of the IOC Council (International Olympic Committee)  
Vice-president of the FIS (International Ski Federation)

fluous stadium in Sochi, and we already have a private investor who urgently needs a stadium for Siberia.

**ISR:** That sounds great!

**L. Tyagachev:** People are measured by their deeds, not by their words. That also applies to us. The organizing committee in Sochi is fully aware of that and will do its best to ensure that the Winter Olympics are managed in such a way that Sochi, Krasnodar and all Russia meet public expectations throughout the world and leave behind for our children an unspoiled world with pride, sporting fairness, healthy physical exercise and international understanding.

**ISR:** Thank you for talking to us and all the best.

**L. Tyagachev:** Thank you.





Erwin Stricker presenting Leonid Tyagachev with a book by Luis Trenker

## INTRODUCTION

Leonid Tyagachev was born on 10 October 1946 in Shukolovo, 60 kilometers north of Moscow, where he still lives with his wife Svetlana, his two daughters and his grandchildren.

Skiing is in his DNA. In the 1960s Leonid Tyagachev was a successful competition skier and ski instructor. From 1973 to 1990 he was head ski coach in the USSR, where he established and trained the most successful national ski team in Russian history.

The Russian ski aces Nadja Patrakeeva, Vladimir Andreev, Alexander Zhiron and Vladimir Makeev also come from the Shukolovo area and became World Cup winners as members of the ski club there.

Revolutionary summer skiing camps on the slopes of the volcanoes in Kamtshatka and mental training were part of Leonid Tyagachev's recipe for success.

With Valentin Shirokov as his right-hand man, Leonid Tyagachev turned Shukolovo into a real ski area over the decades. Today it has six lifts, a snowmaking system, illuminated trails, an operations building, a hotel with a training center, and a skiing college for a hundred students. That is where the winners are currently being groomed for Sochi; nothing is being left to chance.

In 1996, Boris Yeltsin chose Russia's ski pioneer as his Minister of Sport and Tourism. Under Vladimir Putin, he was appointed Vice-president of the Russian Olympic Committee, and in 2001 he became President of the ROC and thus the country's highest-ranking official in the field of sport, an office he continues to fill with great dedication, expertise and above all humanity. Leonid Tyagachev has received many national awards and was made a Senator of the Russian Federation in 2007. He is an active member of the IOC (International Olympic Committee) and has served as Vice-president of the FIS (International Ski Federation) since 2006.

## Ropeway Technology Made in Germany



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Foto: Forum Sochi

# “Give up and you lose!”

The 8th International Sochi Investment Forum was held from 17 - 20 September – and personally chaired by Russia’s Prime Minister Vladimir Putin.

The very fact that Putin once again chaired the proceedings at the Investment Forum in Sochi shows how much importance the Russian Prime Minister attaches to the success of the Winter Olympic Games due to be held there in 2014. In his welcoming address, Putin spoke of the first signs of economic recovery but at the same time warned against believing that the crisis was already over. With regard to the preparations for the Olympics, Deputy Prime Minister Dmitry Kozak conceded that there had been repeated problems with the deadlines. For Putin, the reason for the delays is to be found in the bureaucratic controls inherited from the Soviet period, which he said must be eliminated as soon

as possible before striking a more aggressive note: “Give up and you lose! The ability to take decisions and implement them energetically is crucial.” Putin, who is known to be an excellent skier himself, is personally committed to the 2014 Winter Olympics, and that is doubtless enough to guarantee their success. Alexander Tkachev, Governor of the Kuban Region, also stressed that Sochi is still the biggest location for capital spending projects in Russia. “The international economic crisis has triggered an ice age for investments but I am convinced that, thanks to the hot climate here in Sochi, a phase of global warming will soon be with us.” The snowmaking industry will be pleased!

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