

Completion of Highway 25 in PPP mode:

Historic Agreement Representing a
Savings of \$226 Million

Montréal, September 24, 2007 – The Minister for Transport, Julie Boulet, accompanied by the Minister of Finance, of Government Services, Minister responsible for Government Administration and Chair of the Conseil du Trésor, Monique Jérôme-Forget; the Minister of Education, Recreation and Sports, Minister of Families, and Minister responsible for the Laval region, Michelle Courchesne; as well as by the Mayor of Laval, Gilles Vaillancourt, signed today the partnership agreement between the Ministère des Transports and Concession A25, L.P. for the design, construction, funding, operation and maintenance of the completion of Highway 25 for a period of 35 years.

“The agreement we are signing today with Concession A25, L.P. is a historic one because it is the first public-private partnership signed with Quebec for a road infrastructure project. This agreement follows from the rigorous selection process conducted by the Ministère des Transports and Partenariats public-privé Québec. For the government, it represents a savings of 226 million dollars in current value over 35 years compared to the conventional contracting approach, and will allow citizens in the Laval and Montréal area to take advantage of this new infrastructure two years earlier,” declared Minister Boulet.

Concession A25, L.P. includes Gestion MIP Québec, L.P. and Concession A25 Financement 2 Ltée., which invest capital money in the partnership. Companies also taking part in the project are Macquarie Infrastructure Partners, Construction Kiewit Cie, Ciment St-Laurent Inc., Parsons Overseas Company of Canada Ltd., Genivar, L.P. and Miller Paving Ltd.

“We are proud to have been selected as private partner for the completion of Highway 25, the first public-private partnership in Quebec,” declared Louis Chapdelaine, spokesperson for Concession A25, L.P. “We feel certain that the expertise of all of Concession A25’s members will enable us to honour our commitment to build the project on schedule and in accordance with the costs anticipated, as well as maintain the infrastructure in excellent condition for 35 years.”

The completion of Highway 25 consists in completing a section of highway over a distance of 7.2 kilometres between Henri-Bourassa Boulevard, in Montréal, and Highway 440, in Laval. Fieldwork should begin in winter 2008.

The Minister of Finance, Ms. Jérôme-Forget, insisted on the fact that “this first PPP in Quebec, in addition to representing major savings, allows for a significant portion of the risks to be transferred to the private partner, particularly the risk of exceeding costs and of delays in the completion schedule; risks that otherwise would be assumed by the Government and, consequently, all Quebecers.”

The obligations of the private partner, Concession A25, L.P., include:

- The design and construction of the completion of Highway 25 for commissioning by September 2011;
- Funding, specifically setting up and implementing a financing package to ensure the project’s completion;
- The maintenance and operation of the infrastructure and rehabilitation of the structures;
- The inspection and correction of structures in accordance with contractual conditions;
- The implementation of a fully electronic toll system;
- Release of the structures after 35 years in accordance with detailed requirements.

The Government’s obligations include:

- Compensation for the private partner in three forms:



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- Payments for the construction, namely, a total of 80 million dollars, paid out based on the completion of specific stages of the work;
- Availability payments, established based on the proposal submitted by the private partner, namely an annual amount of close to 13.4 million dollars, representing a current value of 142 million dollars;
- The remittance associated with the toll income, up to a maximum of approximately 120% of the income estimated by the Ministère's traffic and income advisor, with the excess to be shared equally by Concession A25, L.P. and the Government.

"Today's milestone brings us one step closer to the completion of a project that meets the expectations of a large portion of the population of the greater Montréal area," indicated Ms. Courchesne. "The completion of Highway 25 will improve citizens' quality of life by reducing their commuting distances and travel times. It will also allow for savings in the maintenance and operating costs of vehicles as well as lead to a reduction in the pollution caused by vehicles," added Minister Courchesne.

The Mayor of Laval, Gilles Vaillancourt, expressed his delight at seeing the government push forward with this project, long awaited by the citizens of Laval. "This new infrastructure will establish a physical link in the eastern end of the city between the north crown, Laval, Montréal and the south shore, greatly facilitating economic exchange and trade as well as enhancing the mobility of people and goods over the entire territory."

The partnership agreement established between Concession A25, L.P. and the Ministère des Transports prompts the partner to provide quality services to users, particularly in terms of the availability of lanes, rolling comfort, safety, maintenance, and towing. Non-performance deductions will be imposed on the private partner if it does not meet the requirements set out in the agreement.

The concept selected by Concession A25, L.P. consists in a highway with two lanes in each direction and including a 1.2 km cable-stayed bridge over the Des Prairies River. The bridge will have three lanes in each direction.

The completion work also includes a multi-purpose path for cyclists and pedestrians; this path will connect the bicycle path network in Laval to the network in Montréal. In addition, a lane reserved for public transit will improve service conditions between Montréal and the north crown thanks to a new, free-flowing traffic lane.

As for the toll charges, they will be established by the private partner according to a very specific framework stipulated in the partnership agreement. For example, the maximum anticipated for motorists during rush hour when the highway is opened to traffic in 2011 would be \$2.40.

Upcoming stages in the completion project include in particular a public consultation next month in Montréal and Laval on certain elements of the project. The public consultation will be announced in the media in the next few days.

Over the next few weeks, the analysis report on the value of the Highway 25 completion project will be made public. This report will present a cost analysis based on the conventional approach and traditional approach. It will be available on the websites of the co-managers of the selection process, i.e., the **Ministère des Transports du Québec**: www.mtq.gouv.qc.ca and **Partenariats public-privé Québec**: www.ppp.gouv.qc.ca.

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Source:

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