

Junction



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MONTHLY NEWSLETTER
CONCERNING THE COMPLETION
OF AUTOROUTE 30

Nouvelle Autoroute 30, SENC

On October 7, Mrs. Julie Boulet, Minister of Transport and Minister responsible for the Mauricie region; Mrs. Monique Jérôme-Forget, Minister of Finances, Minister of Government Services, Minister responsible for Government Administration, and Chair of the Conseil du trésor; along with Mr. Jean-Marc Fournier, Government House Leader, Minister of Revenue, Minister responsible for Parliamentary Reform, and Minister responsible for the Montérégie, announced the signing of the public-private partnership agreement between the ministère des Transports du Québec and Nouvelle Autoroute 30, SENC, for the design, construction, financing, operation, maintenance, and repair of the completion of Autoroute 30 over a period of 35 years.

"This agreement is the outcome of a rigorous selection process conducted by the ministère des Transports du Québec and the Agence des partenariats public-privé du Québec," Minister Boulet explained. The project will require investments of \$1.5 B in current value dollars for all activities relating to the design, construction, financing, maintenance, operation and repair over the next 35 years."



The spokesperson who announced the good news was Mrs. Sandra Sultana, Director of the Bureau de la mise en œuvre du PPP at the MTQ; along with Mr. Pierre Lefebvre, President and Chief Executive Officer of Partenariat public-privé Québec; Mrs. Monique Jérôme-Forget, Minister of Finance, Minister of Government Services, Minister responsible for Government Administration, and Chair of the Conseil du trésor; Mr. Jean-Marc Fournier, Government House Leader, Minister of Revenue, Minister responsible for Parliamentary Reform, and Minister responsible for the Montérégie; Mrs. Julie Boulet, Minister of Transport and Minister responsible for the Mauricie; Mr. Philip Tingle, spokesperson for Nouvelle Autoroute 30, SENC; and M. Paul-André Fournier and Director of Bureau de projet de l'autoroute 30 with the MTQ.

Nouvelle Autoroute 30, SENC, includes the companies Acciona Nouvelle Autoroute 30 inc. and Iridium Nouvelle Autoroute 30 inc., Canadian subsidiaries of Acciona, SA and Iridium Concesiones de Infraestructuras, SA, both from Spain, and which are investing their own capital in the partnership. Other companies participating in the project are Acciona Infraestructuras Canada inc., Dragados Canada inc., SICE, Arup Canada inc., Construction DJL inc. and Verreault inc.

"We are proud to have been selected for the execution of the Autoroute 30 completion, which is the biggest road project in Québec," declared Mr. Philip Tingle, spokesperson for Nouvelle Auto-



Mr. Tingle was very proud to have been able to finalize the project financing while world markets were experiencing a period of heightened instability. "The fact that major banks decided to invest in us despite the current context attests to their confidence in the project and in our two companies," he said.

route 30, SENC "We are convinced that the expertise of all of the members of Nouvelle Autoroute 30 will enable us to honour our commitment to execute the project according to schedule and in line with the budget, and to maintain the excellent condition of the infrastructure for 35 years."

Major benefits for the Montérégie region

According to Mr. Jean-Marc Fournier, Minister responsible for the Montérégie region, "the execution of this major project will generate 18,900 direct and indirect jobs over the duration of the construction work. It is estimated that more than 75% of the construction expenses will be local or regional. The 30 is more than just asphalt; it is an intermodal convergence artery that is adding value to our rail and port systems, as well as to the A-10, the A-20, and the A-40," Minister Fournier declared.

Obligations and responsibilities



The partnership agreement between Nouvelle Autoroute 30, SENC, and the ministère des Transports du Québec is conducive to encouraging the private partner to provide users with quality services. If the requirements stipulated in the agreement are not respected, payments may be withheld from the private partner as a result of failure to perform.

Chair of the Conseil du trésor, Mrs. Monique Jérôme-Forget, specified that “this PPP, in addition to generating major savings, is allowing for the significant transfer of risks to the private partner, specifically those relating to cost overruns and production delays. These risks would otherwise be assumed by the government and consequently, by all Quebec taxpayers. This agreement

represents savings of \$751 M in current value dollars compared with execution using a conventional method.”

The obligations of private partner Nouvelle Autoroute 30, SENC include:

- The design and construction of the completion so as to be open to traffic no later than December 2012;
- The financing, and more specifically the financial montage and its implementation to ensure the production of the project;
- The maintenance and operation of the infrastructure and structural repairs;
- The maintenance, operation, and repair of 35 additional km of highway that have already been built;
- The inspection and repair of structures in line with the contract terms;
- The implementation of a fully electronic toll system;
- The transfer of structures to the government after 35 years according to specific requirements.

The obligations of the government include:

- Remuneration of the private partner according to four formats
 - Construction payments;
 - Capital payments;
 - Payments for operation, maintenance; and repair;
 - Payments of toll revenues to a maximum of 150% of the amounts estimated by the traffic and revenue minister advisor for the ministère. Any surplus will be shared equally between Nouvelle Autoroute 30, SENC, and the government.

The Government of Canada – a highly involved financial partner

This project will benefit from the largest contribution the federal government has ever made to a transportation project in Canada. We note that the federal government has already contributed an amount of \$10.5 M to the Autoroute 30 project for the construction of the western section.

The Government of Canada has also confirmed that it will make a major contribution to Phase 2 of this project, which is being financed according to the terms of the Chantiers Canada pour le Québec plan signed on September 3, 2008. The total amount of the federal contribution will be announced at the signing of a contribution agreement which is in the process of being finalized.

Toll

As planned, there will be only one toll station located on the bridge spanning the St. Lawrence. The Ministère has established minimum and maximum toll fees of between \$0.30 and \$0.70 per axle, which for a car, represents a cost of between \$0.60 and \$1.40 per crossing. Provision is being made for the minimum and maximum amounts to be indexed according to the growth of the Consumer Price Index (CPI).

Analysis report on added value

In the coming weeks, the analysis report on added value for the Autoroute 30 completion project will be released to the public. This report will present a cost comparison between the conventional approach and the PPP approach. It will be available on the Websites of the selection process co-managers, specifically that of the ministère des Transports du Québec (www.autoroute30.qc.ca) and that of the Agence des partenariats public-privé du Québec (www.ppp.gouv.qc.ca).



The Minister of Transport offered the reminder that the maintenance, operation, and repair of approximately 35 additional kilometres of highway, built under a conventional model, will also be entrusted to the private partner for the same period, specifically over 35 years.

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