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COBEQUID PASS: A MAJOR MILESTONE IN PUBLIC-PRIVATE PARTNERSHIPS

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The opening of Nova Scotia's Cobequid Pass toll highway is a milestone in the growing trend towards privately financed public-private partnerships to develop infrastructure, says John Beck, President of Atlantic Highways Corporation (AHC), the Nova Scotia government's private sector partner in the development of the highway.

Cobequid Pass opens to the public on November 15, with a free-use period until November 30. Tolling begins on December 1.

"This is a major milestone because it's the first highway project in Canada to include private financing," Beck says. "It's the start of a trend that will see public-private partnerships take the lead role in developing public infrastructure in Canada."

"As a result of the public-private partnership, Cobequid Pass was built more quickly, less expensively and with less risk to the public," he added. Other project highlights include:

- First highway project in Canada to include private financing
- The Nova Scotia government provides no financial guarantees for the toll-based portion of the debt
- 45-kilometre toll highway completed in less than 20 months - record time for a project of this size
- Atlantic Highways Management Corporation (AHMC), a private sector firm, will operate the highway on a 30 year contract

The private financing, underwritten by Newcourt Credit Group of Toronto, represents just over half the \$113 million construction price tag. The financing is backed solely by toll revenues with no financial guarantees from the province, Beck notes.

"The involvement of the private sector ensured that the highway was developed much sooner than it could have been under traditional financing," says Beck, adding that the arrangement protected the province's credit rating and freed up capital funds for other priorities.

"The provincial government wanted to move quickly to develop this project to improve highway safety in the region, and the key to moving quickly was private financing," Beck says. The 45-kilometre Cobequid Pass provides a safe, convenient by-pass to the existing stretch of the TransCanada Highway, which has been the scene of 50 traffic deaths during the past decade.

"Without private financing, the highway could not have been built until the government had set aside enough capital, which could have taken another ten years," he says.

In addition, the Cobequid Pass was designed and built in less than 20 months - the most rapidly developed highway of its size in Canada, Beck says. "We're proud of this made-in-Nova Scotia project and the dedication to quality demonstrated by our employees."

Another unique feature of the partnership is that the highway will be operated by a private sector company - Atlantic Highways Management Corporation, a CHIC subsidiary.

"Operating the highways we build is an important part of Canadian Highways' fully-integrated approach to highway development," Beck says. "We are committed to the communities where our highways are located from before construction starts until decades after the road is completed."

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