

# DAILY COMMERCIAL NEWS

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## AND CONSTRUCTION RECORD

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Residential and Civil Construction Alliance of Ontario

RCCAO notes 'interesting shift' in Ontario's 407 plans

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Ontario's plan to build and operate an extension of Highway 407 demonstrates an interesting shift by the government concerning user-pay transit methods, says one construction association.

"It had appeared before that the province had been ideologically opposed to tolls, but there seems to be a lot of answers they still need to find, such as, how would it work operationally," said Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario (RCCAO).

The proposed extension would stretch Highway 407 east to Highway 35/115, from Pickering to Clarington. The extension is expected to open in 2013. Transportation Minister Jim Bradley recently said that it is not yet known whether drivers will face an additional charge to use the extension.

The RCCAO has lobbied in the past and produced studies that argue using tolls should be considered as a way to generate funds for transit infrastructure. Bradley said the Liberal government has "never been comfortable" with a private company owning a road in the province. 407 ETR currently manages and operates an existing 108-kilometre stretch of the highway and collects tolls from drivers.

"I think the public is much more comfortable with the province of Ontario owning a highway with the funds coming to the province of Ontario, as opposed to the private corporation," said Bradley.

The government will regulate tolls on the yet-to-be constructed extension of the highway, but

the province has not figured out whether drivers who use the 407 will have to pay twice.

If a driver were to use both the privately-operated stretch of highway and the government-owned extension, there is a possibility that the driver might have to pay the province and 407 ETR.

But Bradley said those details have not yet been worked out.

“Our anticipation is that the money, of course, that would come from the extension is money that goes to the province of Ontario and not to the 407 corporation,” Bradley said.

Toll revenues collected by the province would go toward construction costs and maintenance of the road, stated Bradley.

Manahan said that the province could always consider using the money collected via the tolls, over the long-term, for creating public transit along and near the 407 corridor.

An environmental assessment is underway and will be submitted to the environment minister for approval this summer.

Bradley could not say how much the project will cost and would not say whether the province plans to keep all future toll roads in public hands.

407 International Inc., the sole shareholder of 407 ETR, is owned by a consortium comprised of Cintra Concesiones de Infraestructuras de Transporte, Macquarie Infrastructure Group and SNC-Lavalin.

In 1999, the former Conservative government under Mike Harris signed a 99-year lease to the private consortium to operate the highway, which was designed to bleed traffic from a badly congested Highway 401.

Tolls soared and both the company and province were inundated with complaints about poor customer service, incorrect billing, and heavy-handed collection tactics.