

# PPP Schemes and Railways



## PPP Schemes and Railways

- PPP risks
- PPP Structure
- UK – High Speed 1
- Canada Line
- Key Issues
- Common themes

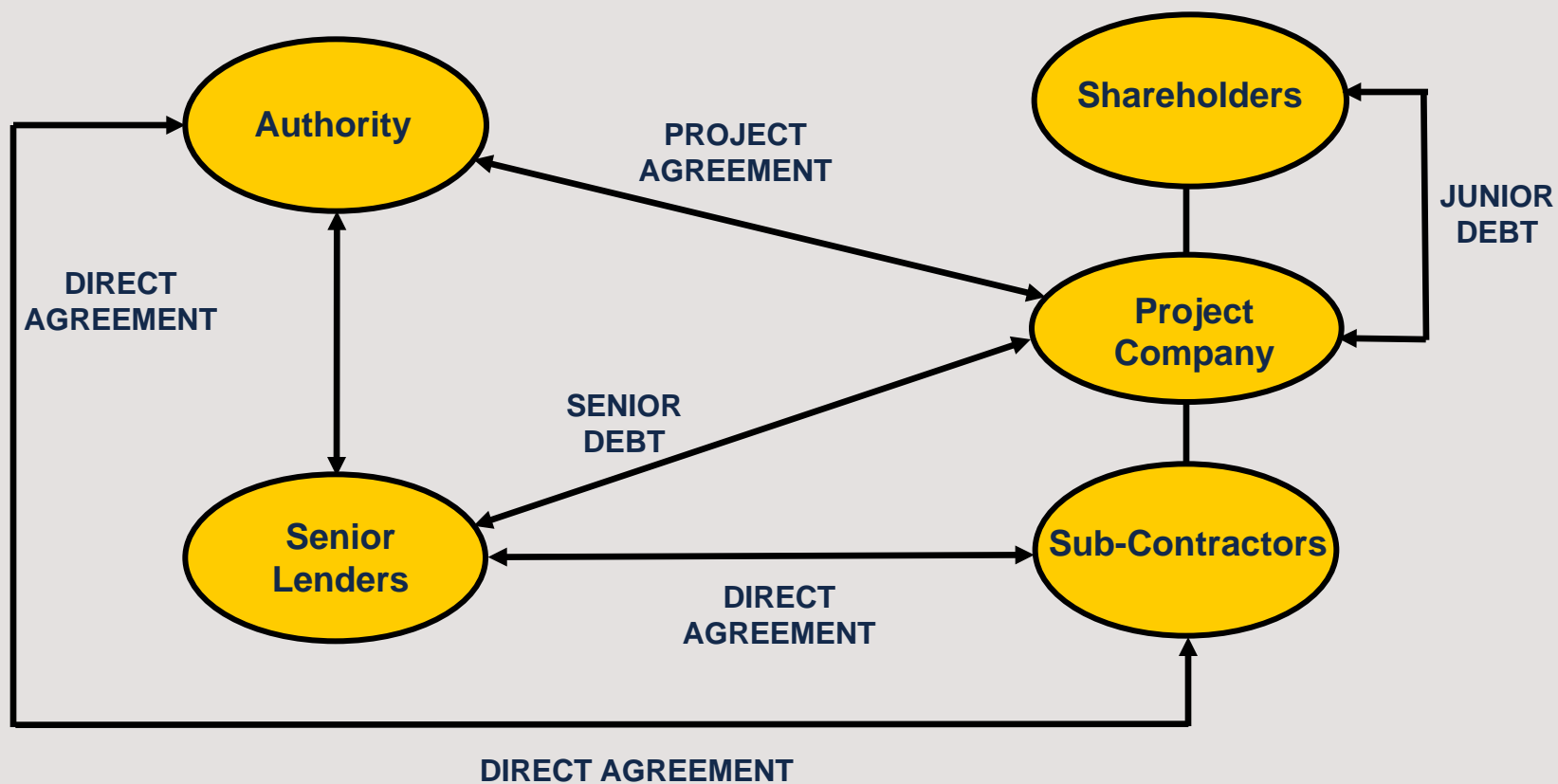


## PPP Risks

- Political risk
- Construction risk
- High capital cost
- Demand risk
- Passenger revenues
- Availability of finance



# PPP Structure



## HS1 - summary

- 100km high speed line linking St. Pancras International to the Channel Tunnel
- HS1 procured as a privately financed project - process started in 1993
- Two phases - Section 1 completed in September 2003 and Section 2 completed in July 2007
- Capital cost US\$10 billion
- Sale of 30 year concession to Borealis Infrastructure / Ontario Teachers' Pension Plan consortium for US\$3.3 billion in November 2010

## Canada Line - summary

- Rapid rail transit linking downtown Vancouver and Richmond to the airport
- Procured through P3 process
- SNC Lavalin awarded 35 year concession to build, operate and maintain RAV in 2005
- Construction completed in 2010
- Capital cost C\$2billion
- Payment mechanism 90% availability/ 10% volume



## Key issues

- Risk allocation
- During concession
- End of concession
- Funding issues
- Regulatory issues



## Common themes

- Risk allocation
- Project management
- Flexible contract structure
- Government support





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