

407 ETR Seeks Court Order to Enforce Law on Plate Denial

TORONTO, July 23, 2004 – 407 ETR announced today that it commenced an application in the Ontario Superior Court of Justice seeking a judicial order requiring the Ontario Registrar of Motor Vehicles to enforce legislation by denying vehicle permits of customers with overdue accounts.

“We have tried to resolve this issue amicably, but we are left with no other choice but to take this action,” said Enrique Díaz-Rato, President and Chief Executive Officer of 407 ETR.

Currently, no vehicles are prevented from using the open-access highway, even if a customer’s account is significantly overdue. However, the Highway 407 Act enables the company to require the Registrar to deny the plate renewal of people who do not pay their bill.

An extensive customer appeal process and external independent auditing of the company’s plate denial procedures are required by law, with which the company is complying. To date, however, the Registrar has failed to perform his legal duty to begin denying plates, leading the company to commence the judicial application.

“The vast majority of our customers pay their bills and will not be affected by plate denial,” Díaz-Rato said. “Unfortunately, there is a small group of people who use the highway, but don’t pay.”

In a related matter, 407 ETR announced that it delivered a notice of discriminatory action to the Government for the Province’s failure to comply with its legal obligation to deny plates.

407 ETR also announced today that it has invoked the dispute resolution procedures in the Tolling, Congestion Relief and Expansion Agreement to resolve a dispute over the achievement of 2002 as “Base Year”. Base Year is the calendar year during which traffic thresholds are established. Future traffic volumes are measured against those thresholds to determine if any congestion payments apply.

After achieving the conditions necessary to declare Base Year, in January 2002 407 ETR notified the Government that 2002 was Base Year. More than two years later, the Province has indicated that it disputes 2002 as Base Year. Discussions have not yet led to a resolution of this issue.

407 International Inc. is the sole shareholder, operator and manager of 407 ETR, which extends 108 kilometres east-west, just north of Toronto. 407 International Inc. is owned by a consortium comprised of the Canadian subsidiary of Cintra Concesiones de Infraestructuras de Transporte (co-owned by Grupo Ferrovial and Australian-headquartered Macquarie Infrastructure Group) and Canadian-based SNC-Lavalin.

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