For immediate release

Press Conference Statement
by
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Deputy Premier and Minister of Transport and Regulatory Affairs

Review of Airport Transaction

23 October 2017

Good afternoon,
You would be aware that as a part of our election platform and, particularly, our 100-day pledge, this Government committed to, and I quote: “review the privatization contract between Aecon and the Bermuda Government for the L.F. Wade International Airport to see if Bermuda can get a better deal”.

This contract is a Public Private Partnership (PPP or P3) transaction entered into by the former Government involving the Canadian Commercial Corporation on behalf of the Canadian Government and Canada's largest public construction and infrastructure development company, Aecon.

The transaction includes the construction of a new airport terminal building and a 30 year lease at the L.F. Wade International Airport.

The Government wants to further scrutinize the agreement because, as I said, we wish to get a better deal for the people of Bermuda.

As Opposition we expressed our dissatisfaction with this arrangement, and as Government that dissatisfaction remains.
The decision to construct a new airport was not part of the last Government’s election platform, and appeared to come out of nowhere.

The former Government started this process without an RFP, not following Financial Instructions which are in place to protect the public purse, and which is standard for best practice. Bermudians want a new airport and we do agree that this will be important to carry out.

What many people experienced with this particular proposal was a process and arrangement we were being forced to accept as the project was not opened to other bidders. When a significant amount of people expressed their disapproval, they were ignored.

It is not forgotten that the PLP in Opposition, and others, raised points and concern about information that questioned the circumstances under which this agreement was made, some of which were revealed by documents obtained through official freedom of information requests made in Canada.

The refusals by the former Government to fully abide by requests made by the Public Accounts Committee, even under the threat of Summons, appeared to show little respect for our legislative system of accountability.

The conduct and contempt shown by the former Finance Minister to Parliament, refusing to answer questions, and misleading by omission, did nothing to ease the concern and unpopularity shown by the Bermudian people for this Agreement.

Despite the public opposition, shameful events which saw Members of Parliament sneaking in the House of Assembly under darkness, police officers surrounding the Sessions House and the pepper spraying of peaceful citizens; the former Government did not pause to reflect on the wisdom of entering into this Agreement.
Whatever disclosure concessions the previous Government agreed to, were not done so voluntarily, but done under pressure.

With such an unfortunate and unpleasant sequence of events behind us, this new Government is determined to chart a different path.

I am here today to announce that the review of the Agreement is underway, under my Ministry's leadership in partnership with the Attorney General's Chambers.

The review is being conducted by the Bermuda Airport Authority. The Authority, on behalf of the Government and people of Bermuda, oversees the performance of Skyport, regulates fees, provides retained government services and procures energy for the facility. The Authority has already engaged P3 experts LeighFisher to assist in the analysis of the Project Agreement.

LeighFisher is a global management consulting firm offering infrastructure advisory and consulting services to aviation, surface transport, infrastructure and government markets.

Skyport operates the L.F. Wade International Airport, and constructs the new terminal building, and maintains and operates it as part of the Agreement.

The structure of this arrangement calls for the designing, building, financing, operating and maintaining of the airport buildings and lands for 30 years.

The procurement portion was a Government-to-Government agreement (Bermuda and Canada), and the implementation phase, which we are in now, is the P3 contract between the Bermuda Airport Authority and the Aecon-owned Bermuda Skyport Corporation Ltd.

You will see here today the many volumes that make up the closing documents of the Agreement that is being reviewed. It is large, detailed, and complex, and it will take time to fully examine it to provide the
Government with the recommendations required for a decision.

The Agreement is requiring Bermuda to give up more than two billion in dollars of revenue over the next 30 years. We believe the country cannot afford what the former government signed us up for.

As this transaction is under review, all options will be considered.

We remain confident that we can achieve a better deal for Bermuda.

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