

407 ETR introducing seasonal toll rates to keep traffic moving

Company also announces freeze on all other fees and charges

December 31, 2019 at 10 a.m. Eastern Standard Time – Effective February 1, 2020, 407 ETR is aligning its pricing structure with seasonal traffic patterns. This means that drivers will pay less per kilometre in the spring and winter when traffic is lower compared to the summer when the highway is busiest. Charges and fees, including the Trip Toll Charge, Camera Charges, Transponder Lease Fee and other account fees will **not** increase and remain frozen at 2019 levels.

This change will help the more than 400,000 drivers and their passengers who use the highway daily, enjoy the same congestion-free experience as always. As the highway gets busier, seasonal tolling ensures fairness for drivers using the road during seasons with less traffic. Seasonal tolling will help ensure Highway 407 ETR remains congestion-free throughout the year.

Seasonal periods are defined as follows:

Spring	Summer	Winter
February 1, 2020-April 30, 2020	May 1, 2020-October 31, 2020	November 1, 2020-January 31, 2021

(Rates will continue to vary by time of entry, day of week, section travelled, direction of travel and weight of vehicle.)

“We're committed to preserving the exceptional 407 ETR experience that drivers want and have enjoyed over the last 20 years,” said 407 ETR President and Chief Executive Officer, Andres Sacristan. “Customers tell us that we save them anywhere from 20 to 60 minutes of driving time each trip. Seasonal tolling will help us maintain this remarkable value in all seasons.”

Highway 407 ETR continues to deliver a safe and reliable driving experience and saves drivers over 30 million hours of time behind the wheel each year – giving people and businesses more time for the things that matter most.

Over the last 20 years, traffic has steadily increased on Highway 407 ETR. In response, the company has added lanes to keep ahead of demand and expects to add approximately 30 kilometres of new lanes in 2020. “We recognize that there is not an unlimited ability to add lanes, and at the same time our customers want their driving experience to remain excellent,” added Mr. Sacristan. “We are determined to meet their expectations by managing increased traffic levels on the highway while still providing congestion-free travel.”

QUICK FACTS

- Summer traffic has been increasing and is up to 25% busier than spring and winter. In June 2019, a new one-day record was set for number of trips on the highway.
- 407 ETR has continued to add new lanes to manage traffic demand. Virtually half the highway was built after privatization (without the use of any taxpayer dollars).
- By the end of summer 2020, almost 90% of the highway will be at its maximum number of lanes.
- Tolls pay all of the costs of operating the highway including adding lanes and maintenance; 24/7 highway monitoring and roadside assistance to over 3,000 drivers each year; policing and Ontario Ministry of Transportation heavy vehicle inspections.

ABOUT 407 ETR

Highway 407 ETR is a 108 kilometre toll road situated just north of Toronto, Ontario and serves over 400,000 drivers and their passengers from Burlington to Pickering every work day. Using Highway 407 ETR saves more than 30 million hours of driving every year, allowing more time for things that matter most and connecting people and businesses in a fast, safe and reliable way.

Highway 407 ETR begins at the QEW in Burlington and ends at Brock Road in Pickering where the highway connects to Ontario's provincially-owned toll highways 407, 412 and 418. The Government of Ontario sets toll rates, operates these toll highways and retains the revenues. Using Highway 407 ETR and any of the provincially-owned toll roads is seamless for drivers as they need only one transponder and receive only one bill for all of their toll highway travel.

Using Highway 407 ETR reduces fuel consumption, vehicle maintenance costs, and lowers the environmental impact of driving by keeping drivers out of gridlock and heavy traffic elsewhere in the Greater Toronto Area ("GTA"). Since 1999, Highway 407 ETR has contributed economic benefits totaling over \$16.0 billion within Ontario and is well known as the route of choice for businesses to move goods efficiently. Vehicles using Highway 407 ETR emit a total of 108 fewer metric tonnes of CO² each year, on average. This is due to higher, consistent vehicle speeds which are less harmful to the environment than vehicles travelling on more congested highways and major roads in the GTA.

Making life better for customers and surrounding communities is an important focus for the Company. The Company and its employees also support local hospitals and the United Way, sponsor children and youth sports teams across the Highway 407 ETR corridor, and champion safe driving awareness programs and environmental stewardship. For 2020, the Company has made the commitment to increase participation in these key areas of community support. Learn more at 407etr.com/community.

The Company is owned by indirectly owned subsidiaries of Canada Pension Plan Investment Board (total 50.01%), Cintra Global S.E., a wholly-owned subsidiary of Ferrovial S. A. (43.23%), and SNC-Lavalin (6.76%).

For more information, contact:

Investors:
Geoffrey Liang
Chief Financial Officer
Tel: 905-265-4070

Media:
Kevin Sack (ksack@407etr.com)
Vice President
Marketing, Communications, and Government Relations
Office: 905-264-5374 Mobile: 416-455-5262

TOLL RATES, FEES AND CHARGES – UNCHANGED FROM 2019

- The Heavy Vehicle per Kilometre Rate for vehicles over 5,000 kg (large trucks and buses) is double the Light Vehicle Rate. The Heavy Multiple Unit Vehicle per kilometre Rate (tractor trailers) is three times the Light Vehicle Rate.
- A Trip Toll Charge is applied for each trip on the highway and remains at \$1. Heavy Vehicles – \$2, Heavy Multiple Unit Vehicles – \$3. This charge was introduced in 2009 and is not a new charge nor is it a per-kilometre charge (no change from 2019).
- The Monthly Account fee is \$3.95 (no change from 2019) and only applies when trips are taken without a transponder.
- The Monthly Transponder Lease Fee is \$3.95. When a transponder is pre-paid annually, the fee is \$24.50. Each additional transponder attached to the account is \$1 per month or \$9.95 when leased annually (no change from 2019).
- When a vehicle's rear licence plate has been altered, is not visible or is unrecognizable by the toll system, a \$50 Unrecognizable Plate Charge, plus tolls, applies each time the vehicle uses the highway without a valid transponder (no change from 2019).
- A \$4.20 Camera Charge per trip is added when a vehicle travels on the highway without a valid transponder (no change from 2019).
- By law, Heavy Vehicles (those with a gross weight or registered gross weight of more than 5,000 kg) must have a valid transponder. Without a valid transponder, a \$50 Camera Charge plus tolls per trip is applied (no change from 2019).
- 407 ETR reserves the right to change toll rates and fees with notice.
- All fees are plus applicable taxes.
- 407 ETR may, from time-to-time, provide or offer discounts on tolls or other fees. For full toll and fee details, visit 407etr.com.

BACKGROUND 1

The Canadian Centre for Economic Analysis (CANCEA) issued a report highlighting both the historical and forecasted contributions the 407 ETR toll road makes to the region and to Ontario.

The report was released in July 2019. The study was based on 2017 statistics.

The report, entitled **Economic Impacts of Highway 407 ETR: Implications for Travellers, Transportation and Prosperity**, concluded that the highway has been a strong and consistent contributor to the economic activity, quality of life and social benefits enjoyed by the people living and working across the corridor. The report was commissioned by 407 ETR. The report demonstrates that toll roads save drivers and businesses time and money. The report concludes that there have been and continue to be significant GDP and social benefits as a direct result of the ongoing private sector investment in the extension and expansion of the highway. The full report can be read at www.cancea.ca/407etr

Among the many important findings presented in the report, the following are highlighted:

1. Since 1999, Highway 407 ETR has supported economic benefits totalling \$15.9 billion within Ontario.
2. Drivers save an average of over 22.7 million hours on the road annually and commercial/business users save an average of 7.7 million hours of driving each year. Both are forecasted to continue to grow.
3. Highway 407 ETR is expected to support \$724 million of economic benefits annually within Ontario if user trends and investment in the highway continue as they have in the past.
4. The value of the activity occurring in the Highway 407 ETR corridor includes \$16.5 billion of residential economic activity and \$2.6 billion of commercial real estate activity annually.
5. 407 ETR is the longest stretch of non-bottleneck highway in the GTHA.
6. Highway 407 ETR usage has steadily increased since 1999, representing 50% more trips than there are riders on the entire network of GO buses and trains on an average weekday.
7. Traffic speeds on Highway 407 ETR are consistently higher than on alternate routes, and the collision rate is low, relative to the provincial freeway average.
8. The cumulative savings in “social costs” as defined in the report have, since 1999, reached \$1.4 billion. In 2017, savings in social costs were higher than the average – hitting \$84 million.
9. By using 407 ETR, vehicles emit 108 fewer metric tonnes of CO² each year, on average. This is due to higher, consistent speeds that are closer to the speed at which emissions are minimized compared to the prevailing speeds on toll-free highways and major roads.
10. Every \$1 invested by 407 ETR has resulted in a GDP increase of \$1.54. Since 1999, 407 ETR has invested \$4.6 billion into capital and operations. This has generated direct, indirect and induced effects that have contributed a combined total of \$7.1 billion to provincial GDP (70% direct and indirect, 30% induced).
11. Since 1999, investments in Highway 407 ETR, as well as ongoing operation and maintenance activity have generated an average of 72,000 years of employment and \$4.7 billion in wages.
12. 407 ETR operations have generated an average of \$43 million dollars in tax revenue for the Provincial and Federal governments each year since 1999.
13. Since 2001, the population in the 407 ETR corridor has increased by 506,000 residents, while the number of jobs grew by 199,000.

BACKGROUND 2 – based on calendar year 2018.

- Average daily workday trips have increased 75% from 237,000 in 1999 to more than 400,000 in 2018.
- Total annual trips have increased 75% from 71.9 million in 1999 to over 126 million in 2018.
- The number of transponders in circulation has increased from 346,371 with a user rate of 67% in 1999 to over 1.525 million and a user rate of over 80% in 2018.
- Total vehicle kilometres travelled per year has increased from 1.275 billion in 1999 to 2.747 billion in 2018.
- The number and length of trips taken on 407 ETR and increased usage of transponders, correlates with the growth in regional development and the extension and addition of new lanes to the highway (over 588 kilometres since 2001).
- Extensions and expansions have been made possible through 407 ETR investments of over \$1.6 billion (over and above the \$3.1 billion paid to lease the highway) to keep traffic free-flowing.
- Investments in safety initiatives, both on and off the road, have continued to provide customers a fast, safe and reliable trip. Safety events and sponsorships continue to demonstrate 407 ETR's commitment to its customers.
- The company, along with its employees, continues to support hospitals along the corridor, support the United Way and participate in Environmental Stewardship opportunities by helping to plant trees and conserve sensitive lands.
- 24/7 monitoring of the highway and conditions from 407 ETR's control room keep the highway safe and free-flowing – safety patrollers can assist drivers and call for emergency responders when needed.
- 407 ETR is barrier free – with no congestion-causing toll plazas.
- 407 ETR has received multiple Service Quality Measurement Group awards for Call Centre Excellence and Leadership, including First Call Resolution (the industry's most vital indicator), and Best Practices. The 407 ETR Call Centre is staffed by a large group of certified World Class Customer Service Representatives.
- Customers have many account options such as paperless billing and pre-authorized payment.
- 407 ETR continues to appreciate customer loyalty and has offered nearly \$200 million to customers as part of its “ETR Rewards” customer rewards program.

When the lease to operate the highway was granted to 407 International in 1999, the agreement required the immediate extension of the highway in both the east and west and this was completed ahead of schedule and under budget. All of 407 ETR's construction projects have been done in a manner that ensures the quality of the roadway itself, and the safety of workers on the project and drivers coming through construction zones. 407 ETR takes a unique approach to highway construction – building lanes before traffic congestion can become a problem – while keeping interruptions to motorists to the absolute minimum. The investments the company has made in construction and the excellence the teams have brought to the work completed, have made 407 ETR well known for being reliable.

In 1999, Highway 407 ETR was 643.25 lane kilometres (including the ramps and interchanges in place). Today, it is 1,232 lane kilometres (including ramps and interchanges built by the company).

Virtually half the highway has been constructed since the beginning of the public-private partnership.

YEAR	PROJECT	TOTAL LANE KM ADDED
2001	Highway 403 to QEW Markham Road to Highway 7	291.67
2002	Ramps at Woodbine Avenue and Mavis Road	6.68
2003	Martingrove to Pine Valley Drive, 403 Ramp and Woodbine Ramp	6.78
2004	Highway 401 to Highway 10 (both eastbound and westbound) Markham by-pass north to Highway 7 (both eastbound and westbound)	24.13
2006	Yonge to Highway 427 (both eastbound and westbound) Markham to McCowan(both eastbound and westbound)	50.16
2007	Highway 427 to Highway 401 (both eastbound and westbound)	48.8
2009	Markham Road to York-Durham Line (both eastbound and westbound)	14.28
2010	Highway 404 to Markham Road (both eastbound and westbound) and QEW ramp	20.16
2011	Highway 401 to Trafalgar (both eastbound and westbound)	22.28
2012	Highway 400 to Highway 404 (both eastbound and westbound & median)	31.07
2014	Highway 427 to Highway 400 (both eastbound and westbound & median)	17.66
2016	Realignment of Brock Interchange	6.42
2017	Highway 410 to Highway 427 (both eastbound and westbound & median)	20.9
2018	York-Durham Line to Brock Road (both eastbound and westbound)	13.35
2019	Markham Road to York-Durham Line (both eastbound and westbound)	14.25
TOTAL		588.59