Subject: Embraer/Brazil. Tel Aviv. Siemens? What happens to GVRD taxpayers when RAV goes over budget?

Date: Mon, 16 Feb 2004 20:17:49 +0000 (GMT)

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16 February, 2004 Greetings:

The article hereunder, shown in red, was received by CAGE last night.

The report recently released by Canada's Auditor-General, Sheila Fraser, included disturbing information about millions of tax dollars which had been funneled into the coffers of Bombardier Inc. We are told those dollars were spent, in unseemly haste without due tendering process, for non-priority purchases from the company. MP John Williams felt confident enough to use a specific descriptor in House of Commons debate. For legal reasons, I will not repeat the words here but the curious will find it in Hansard.

A 3-company short-list of 'pre-proposals' was released last Thursday by TransLink. Bombardier Inc., is directly/indirectly involved with two of the proposals. Siemens is the third. We have no confidence in this particular tendering process because, radio and TV interviews, TransLink Chair Doug McCallum has been using the word *SkyTrain* synonymously with *RAV* for over a year now

In view of the A-G's report and this latest news item from Tel-Aviv, it is absolutely imperative that the GVRD Board put the RAV project on the back burner until a professional, up-to-date, business plan can be put before the people. That business plan <u>must</u> contain <u>independently-verifiable</u> information on the following critical elements:

1. Clarification as to component projects along the route from start to finish - i.e. portions underground, portions above ground, number and siting of stations, location of terminus, number of cars <u>included</u> in the RAV budget, etc. [TransLink will counter by saying this has all been published. We say generalities, yes; exact details, not.]

TransLink should also be asked to explain why it is that "new SkyTrain cars" are included in the 3/10-year plan. Expo-line cars should not have reached end of life-span until 2021, Millennium cars until 2037, and RAV - if they are included in the \$1.2/\$1.7 budget - until 2044. So, in view of Bombardier's "economic" situation, and the fact that so few SkyTrain systems are being purchased world-wide, is it Bombardier's plan to discontinue production of these cars? If so, will the Lower Mainland end up with useless non-refundable lemons on its hands, to be sold off for pennies *a la* the three Pacificats?

- 2. Ridership numbers;
- 3. Current cost-outs of each project component;
- 4. Exact, guaranteed, funding sources.

To date, the only thing GVRD residents are sure of is that they will be required, directly or indirectly, by one method or another, to pay the entire bill.

What residents have <u>not</u> been told is how large the invoice will be, or what they will get - really get - for their money.

This is an *abuse of public power* and, from now on the *Coalition for Accountability in Government Enterprises [CAGE-BC]* will treat it as such until British Columbians are given detailed, uncensored, disclosure on the project.

It would be much appreciated if the 5-Council North Shore Transportation Group could take the lead on behalf of all regional citizens - to say nothing of protecting taxpayers in the rest of BC and Canada who will be forced to participate.

Thank you for your early response......

Sincerely,

Liz James, Chair CAGE-BC Box 16090, 3017 Mountain Highway NORTH VANCOUVER, B.C. V7J 2P2

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Liz...Some interesting news. It seems that Bombardier Inc. has financial problems. So are they in a position to proceed with either RAV or Seattle's monorail? Look at the costs of preparing the tender. \$4-mill+ for Tel Aviv, +/- \$500,000 for Vancouver? It seems RAV planning is being done 'on the cheap.'

Malcolm Johnston Light Rail Committee

Subject: LRTA - FWD: Bombardier quits Tel Aviv Light Rail Project

From the All-Aboard List

The Ministry of Transport is angry at the company, which previously also withdrew from the Jerusalem light rail project.

Globes (Israel) February 12, 2004

Sources inform "Globes" that Canadian engineering company Bombardier has announced its withdrawal from the Tel Aviv

light rail project "for commercial reasons'.

Senior transport industry sources said, "Bombardier found the Tel Aviv project not economically worthwhile, and therefore withdrew from the tender."

A few days ago, Bombardier notified its partners in the consortium, the Dan Bus Cooperative, Property and Building and Bouyges Construction and RATP of France, that it had made a strategic commercial decision not to participate in the construction of the Red Line of the metropolitan Tel Aviv light railway.

The Adanim group, of which Bombardier was part, is considering whether to join one of the other consortia, or to withdraw from the tender.

Bombardier withdrew in January 2002 from the tender for the first line of the Jerusalem light railway project. The Adanim group, which included Bombardier, Housing and Construction, FIBI Holdings, and Etgal, withdrew from the tender - also for economic reasons.

The Ministry of Transport responded angrily to Bombardier's withdrawal, saying that the company was unworthy of participating in tenders in Israel, after behaving improperly in two important tenders.

Another source claimed that Bombardier's motives were solely economic. Preparing the Jerusalem tender cost an estimated \$4 million, and the Tel Aviv tender an estimated \$10 million. The source said these costs were unreasonable.

No response from Bombardier was available. NTA Metropolitan Mass Transit System chairman Yossi Kucik said he had no

information about the matter.

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