

Reply to Review of the Airport Transaction

The Hon. Michael H. Dunkley, JP, MP
Former Premier of Bermuda

October 23rd, 2017

The PLP in their 100-day pledge did commit to “review the privatization contract between Aecon and the Bermuda Government for the LF Wade International Airport to see if Bermuda can get a better deal.” However with over 90 days of the 100 elapsed, and the Government scrambling to check as many of the 21 promises in the pledge as possible, this falls short... the announcement today is not a review but the hiring of a consultant to do a review.

I will not answer the numerous political misinformation comments in the release other than to say that the illegal blocking of the “People’s House” by then Opposition MP’s and supporters speaks volumes to how desperate they were to derail this critical project and to divide people.

While LeighFisher are a reputable global management consulting firm, in making this announcement, and in the interest of transparency, the Deputy Premier should have disclosed the terms of the contract such as was it a sole source contract, what is the fee

involved and the length of time for the consultancy work to take place.

For the record we believe the deal negotiated was the best deal for Bermuda to build a new airport terminal based on the circumstances we found ourselves facing; an economy sputtering, crippling government debt and yearly government deficits.

Due diligence was done on this project from the beginning; by our engagement with the UK Government, through to the end, with the review by the “Blue Ribbon Panel.” It should also be noted a value for money assessment was done and major financiers have supported this project.

In regards to the BRP their report found “the transaction to be commercially sound and reasonable, likely to meet the Government’s stated objectives of long term sustainability, increased traffic volume and revenue, while effectively providing for the structural needs of the airport. We also found that the terms are within the parameters for similar P3 Airport projects and in some cases this project exceeds those norms positively.”

The BRP also said “the risks and costs associated with a public tender process in this

instance were significant and supported the alternative of a negotiated process.” They went on to say “It is the overall view of the Panel that it is a good deal, it’s not perfect, but it is a good deal.”

The deal was endorsed by many including the BTA, BHA, Chamber of Commerce and ABIR.

Any Government has the right and ability to review a contract or policy. However in this matter the PLP opposed the project from the beginning and often spread misinformation and employed Trump like tactics to divide people and confuse the issue. It was not about what is best for Bermuda but about how to get elected.

Sadly this is often the world of politics today.

We must do better than this and now as the Government they must lead for the good of all of Bermuda.

We look forward to the results of the review.

Ends.