



Cross Israel Highway
Company LTD



Ministry of Finance



Ministry of Transportation,
National Infrastructure
and Road Safety

Cross Israel Northern Highway **“YOKNE’AM-SOMECH”** **(known as “sections 3 and 7”)**



January 2012

- The Government of Israel is promoting the execution of Cross Israel Northern Highway Yokne'am-Somech (known as "sections 3 and 7"), in cooperation with the private sector, pursuant to the toll road (Israel National Highways) law, 1995.
- The project is a Build-Operate-Transfer (BOT) scheme for the design, finance, construction, operation and maintenance of the project for a period of up to 34 years

- At the end of the period, the project will be transferred to the State of Israel at no cost
- It is intended that defined parts of the highway shall operate as toll sections
- The scope of the project includes supply, installation and operation of a free-flow toll system as set in the Tender Documents



- **Cross Israel Northern Highway – General**
 - Sections 3&7 Overview
 - Anticipated Time Table
 - Bid Evaluation Process
 - Annexes

Project Description

- Cross Israel Highway- CIH (Highway no. 6) was constructed in response to the growing transportation and socioeconomic needs of Israel
- CIH serves as a main route – the prime route in the State of Israel's transportation network

Main Objectives

- Improve the connection between Israel's peripheral areas to its central parts
- Enhance population distribution and development of employment centers in the peripheral areas
- Support North-Center-South traffic, bypassing condensed areas
- Improve accessibility to sea ports



	Central Section	Northern Section ("section 18")	Southern Section ("sections 19-20")
Length	Approx. 90 km	Approx. 17 km	Approx. 35 km
Range	Iron to Soreq interchange	Iron to Ein-Tut interchange	Soreq to Ma'ahaz interchange
Operating Since	2004 (toll road)	2009 (toll road)	2007 – 2008 (toll free road)

Construction of Cross Israel Northern Highway shall extend the Highway to Somech interchange in the North ("Sections 3 and 7")



- Cross Israel Northern Highway – General







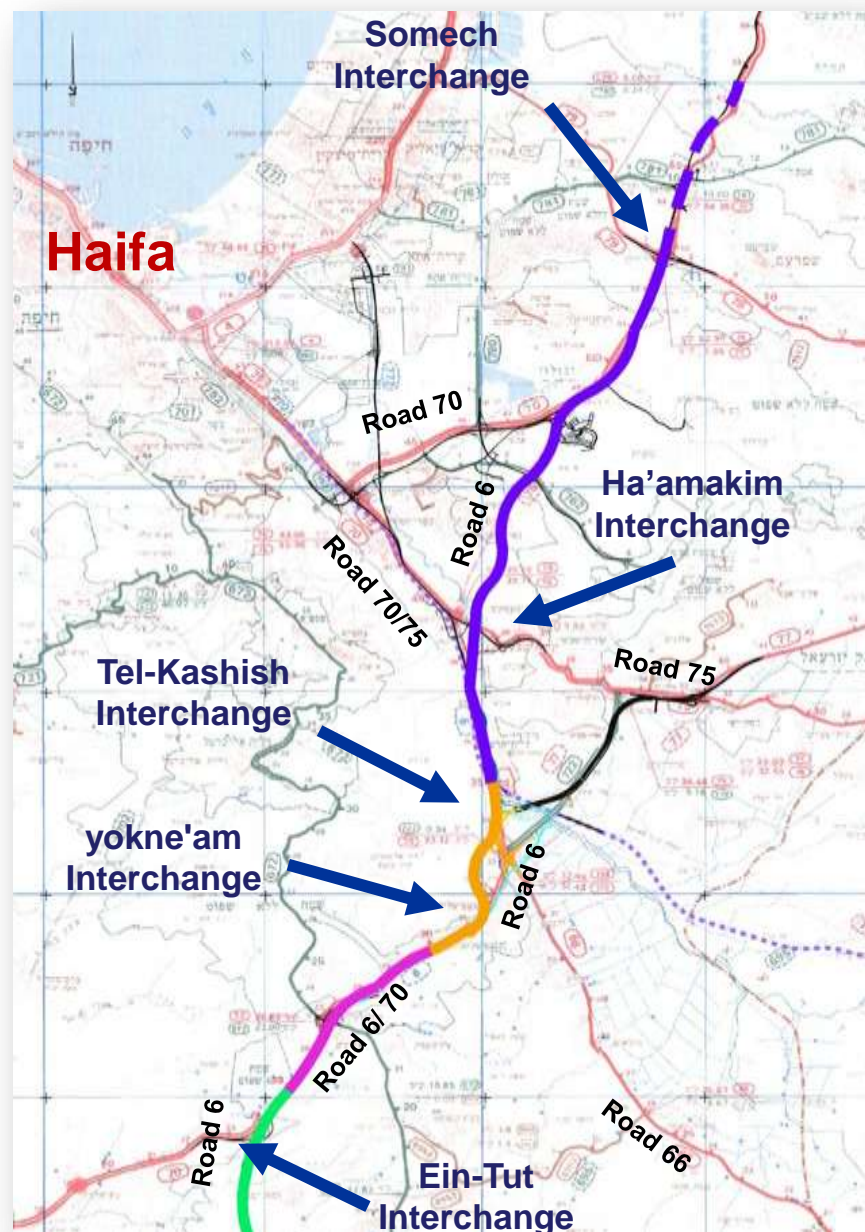
- **Sections 3&7 Overview**

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- The project aim is to satisfy the growing transportation demand which can not be served by existing roads (roads No. 70 & 75)

Map Key

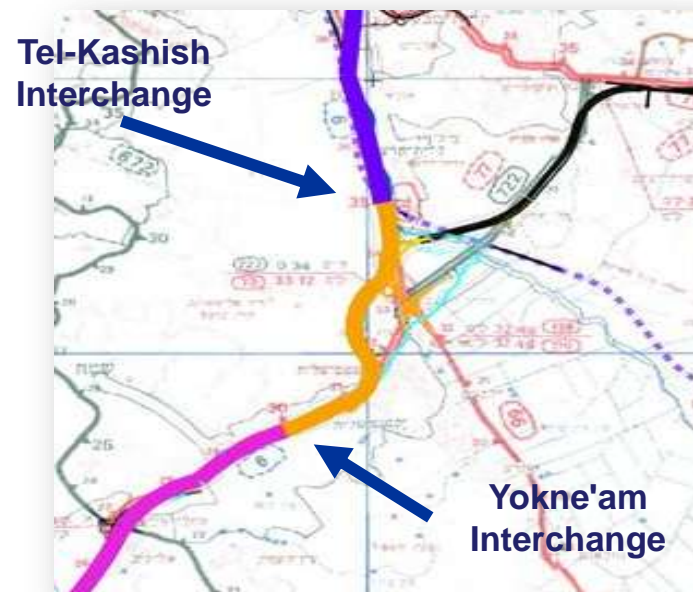
Section 3	
Section 7	
Road 70/6	
Road 6 - existing	



- Section 7 is planned between Yokne'am in the south to Tel-Kashish in the north
- The section's length is 5 km approx

Project Description

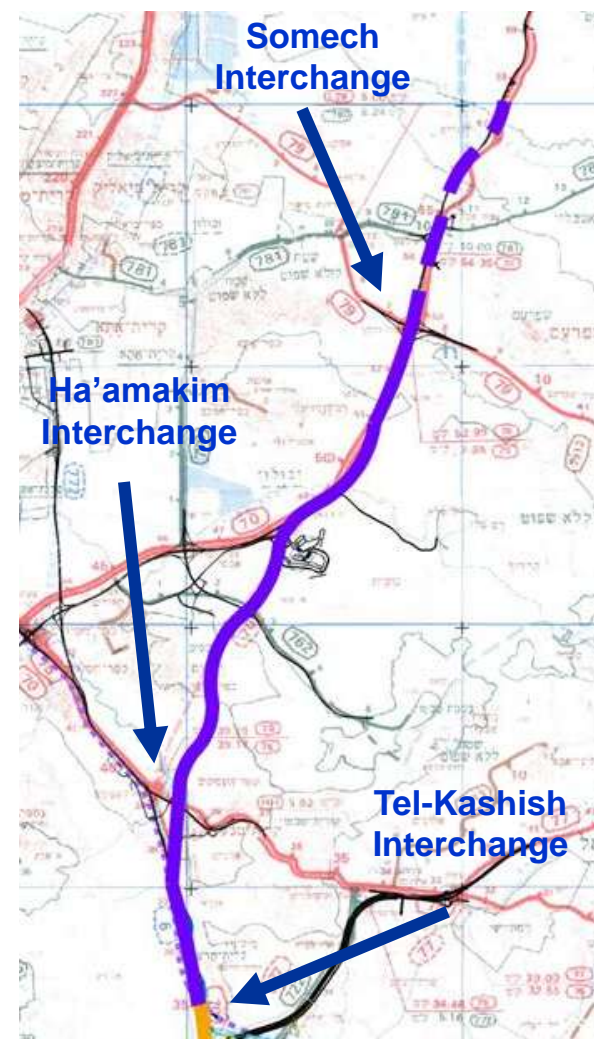
- 3 lanes in each direction
- 1.7 km double tunnel bypassing Yokne'am (Yokne'am Tunnel)
- An interchange at the outskirts of Yokne'am connecting the local roads to Road no. 6/70 (west side only)
- An Interchange at Tel-Kashish connecting roads 6/70/77/66



- Section 3 is planned between Tel Kashish in the south, through Ha'amakim Interchange, reaching Somech Interchange in the north
- The section's length is 14 km approx.

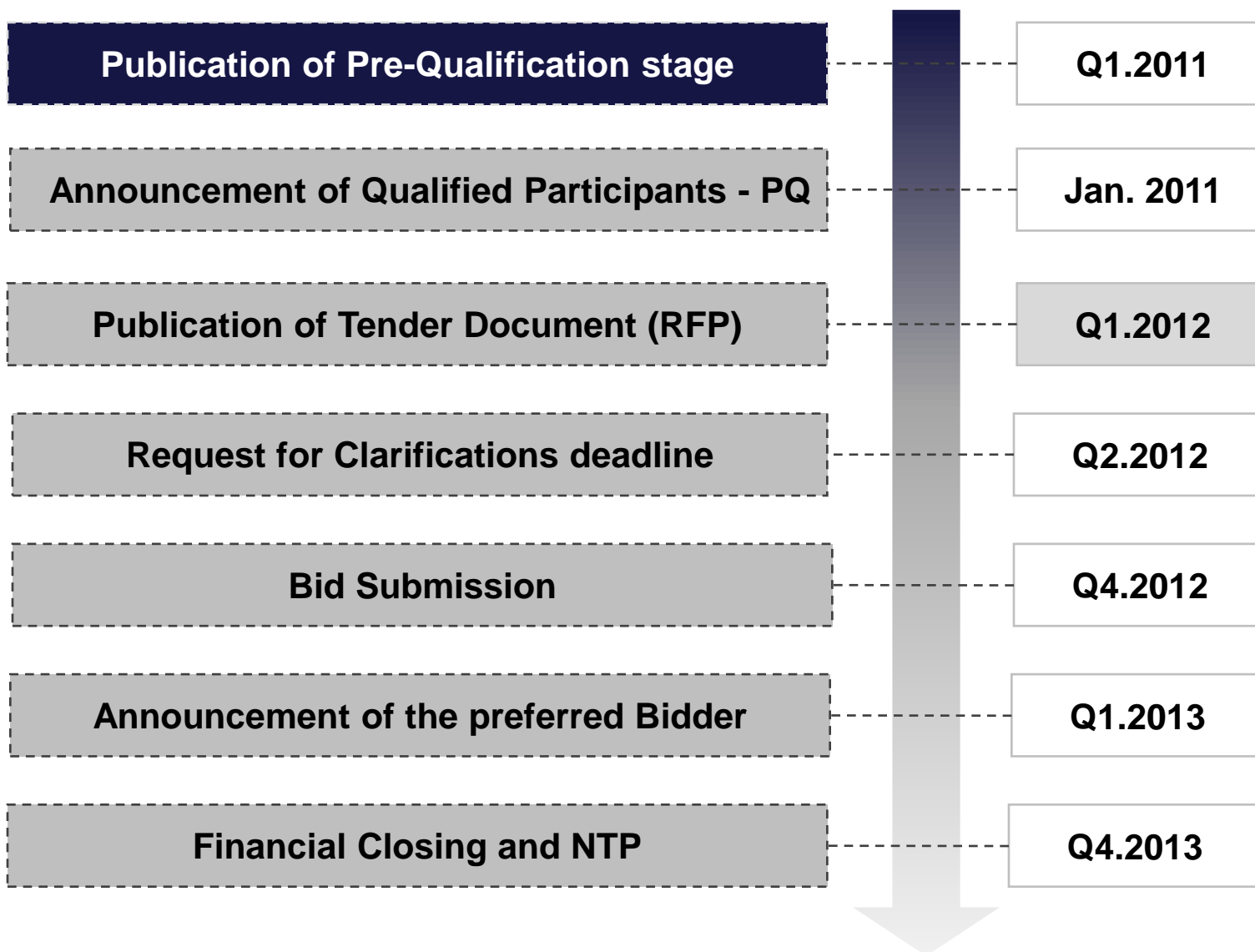
Project Description

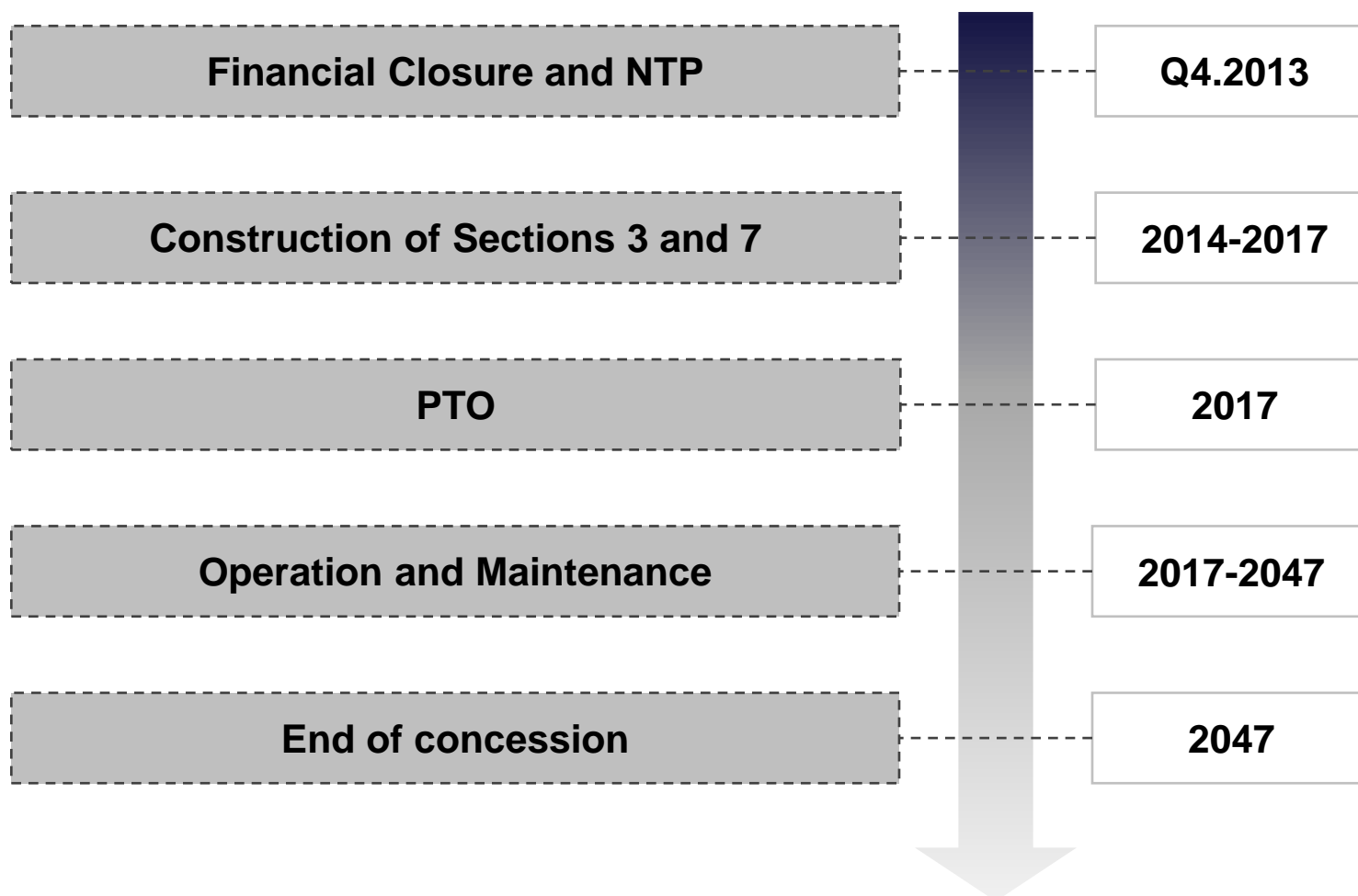
- 3 lanes in each direction
- An Interchange at Ha'amakim connecting roads 6/70/75
- An extension north of the Ha'amakim interchange crosses the Sha'ar Ha'amakim nature reserve
- Double tunnels near Rechasim (2 km) and east of Ibteen (400 m)



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- Project Overview
- ➔ ■ **Anticipated Time Table**
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completed





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Equity

- 1.5 million NIS for every 1% of the members anticipated holdings, based on its most recent Financial Statements

Operating CF

Either:

- A non-negative annual operating cash flow, based on an average of the last 3 fiscal years, not earlier than 2007; or
- The ratio between the absolute value of that operating cash flow and its equity in the last year (“burn rate”), is lower than 25%

Turnover

- 400 million NIS based on an average of the last 3 fiscal years, not earlier than 2007

The evaluation of the Bids will be carried out by the Tender Committee in two stages:

**1st Stage-
Quality
Evaluation**

- The Tender Committee shall review and evaluate General Information, Technical Proposal, Financial Proposal and the Environmental Aspects of the Proposals

**2nd Stag-
Price Evaluation**

- The Tender Committee will evaluate the Price Proposal submitted by the Bidder



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- Bid Evaluation



- **Annexes**

The government of Israel's decision 1421, 24/2/2010

Clause 1

To establish a land intercity transportation infrastructure, from Kiriat Smoneh and Nahariah in the North, reaching Mash'abei Sade and Eilat in the South, in order to populate and develop the Negev and the Galilee. The transportation infrastructure shall include prime verticle routs, and a number of horizontal routs

Clause 12

To officiate the Ministry of Transportation and Ministry of Finance, in cooperation with “Cross Israel Highway Company” to examine the possibility of financing and operating all or part of the northern sections of “Cross Israel Highway”, by means of the Private sector

Legal framework

- The legal framework for the construction and operation of Cross Israel Highway as a toll road is regulated by two main laws: the Toll Road Law (Israel National Road), 1995 and the Israel National Road Law, 1994
 - The national importance of the Northern Cross Israel Highway ("Sections 3 and 7") was recognized by the Government, within its decision no. 1421 dated February 24, 2010, instructing the promotion and execution of the Project
- On November 3, 2010, the Government has determined that defined parts of Sections 3 and 7 of Cross Israel Highway, shall operate as toll roads, and has instructed the Tender Committee to promote a public tender in order to select a concessionaire for the design, finance, construction, operation and maintenance of these sections.
- The Government's decision was approved, on February 13, 2011, by the Knesset Economic Affairs Committee

Statutory Availability

- Sections 3 and 7 of Cross Israel Highway are statutorily set out within National Outline Plan no. 3
- They are currently promoted for approval in the framework of two detailed National Outline Plans (no. 31/A/3 and 31/A/7, respectively), by the relevant statutory planning authorities.

Risk Profile of the Project

