

NEWS RELEASE

TERANET EMBARKS ON LAND REGISTRY TECHNOLOGY INNOVATION AT HOME AND ABROAD

(THIS NEWS RELEASE, DATED SEPTEMBER 26, 1991, WAS RECEIVED BY THE ASSOCIATION FROM TERANET)

(Toronto) -- TERANET, the newly-formed company spawned from a unique alliance between the public and private sectors in Ontario, is gearing up to put a totally new technological face on land information management in the province, and around the world.

TERANET, which was incorporated in May 1991, is the name of the strategic alliance partnership between the Government of Ontario and Real/Data Ontario Inc., RDO, which represents a consortium of Ontario private sector firms. This partnership sets a new standard for government and private sector cooperation.

The company's mandate reflects the goals set down by the provincial government and RDO:

- * to automate and improve the province's land registration system by implementing the Province of Ontario Land Registration Information System, known as POLARIS; and,
- * to develop an internationally recognized land related information system industry, based on the POLARIS experience, to position Ontario as a leader in supplying this new technology to world markets.

The RDO consortium is made up of firms specializing in surveying and mapping, computer systems and management consulting, including Landata International Services Inc., (a group of Ontario surveying and mapping companies); SHL Sytemhouse Inc.; EDS of Canada Ltd.; Peat Marwick Stevenson Kellogg; and, Intergraph Canada Ltd. RDO was chosen following an exhaustive government selection process which began in September 1988.

Originally approved in July 1990, the current administration reaffirmed the government's commitment to the strategic alliance in early 1991. Following a cabinet review and independent reviews by legal advisors, financial advisors, and chartered accountants, RDO became the successful alliance partner in February 1991.

The equitable partnership was announced to the public on February 15, 1991. Details include a 50-50 public-private funding and profit-sharing, equal representation of government and RDO officials on the Board of Directors, strict rules guaranteeing TERANET'S accountability to the government and rules protecting the privacy of individuals by ensuring full government ownership of the land registration data.

POLARIS organizes and manages land information using two computerized databases. The Title Index database provides ownership information, while the Property Mapping database displays survey details, property lines, plans and easements. This information can be shown separately, or combined to display one comprehensive area map. TERANET will be developing and adding other land-related information databases in the system, on, for example, the environmental properties of land parcels.

Currently, consumers seeking land-related information must search manually through files at registry offices, and at other provincial and municipal government offices. Once the enhanced POLARIS system is implemented, consumers will enjoy direct access to this information at easy-to-use computer terminals in registry offices,

or have the option of asking registry office staff to complete the search. Eventually, consumers will be able to obtain this information from remote locations using computer telecommunications technology.

By combining the resources of the public and private sectors, which include the POLARIS system, equity investment, technical expertise, a local client base and global marketing skills, TERANET will deliver significant benefits to the people of Ontario. These benefits include:

- * **IMPROVED CUSTOMER SERVICE:** consumers, (including individuals, the legal profession, the development industry, real estate agents, utilities, financial institutions, municipal governments and provincial ministries), will enjoy better and faster access to land information
- * **JOB CREATION:** as many as 2,000 skilled jobs will be created;
- * **RESEARCH AND DEVELOPMENT:** TERANET will spend \$ 75-million on research and development in the province
- * **ECONOMIC SPIN-OFFS:** TERANET will utilize Ontario-based personnel, expertise and suppliers
- * **EFFICIENT IMPLEMENTATION:** the implementation of the POLARIS system province-wide will be completed in eight years, as opposed to the estimated 15 years it would have taken the government alone
- * **COST SAVINGS:** government will save an estimated \$50-million in implementation costs
- * **ACCOUNTABILITY:** the government will retain ownership of the applicable land registration data,

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control over the applicable legislation governing the use of the data, and authority over the fee structure for searching and registering documents

* **EXPORT POTENTIAL:** the expertise and technology being developed in Ontario will have major potential for international export

* **PROFIT-SHARING:** profits generated by TERANET will be shared by the people of the province, through the Government of Ontario, and the private sector firms

Currently, TERANET is working with the Ontario government to finalize its business plan for transferring

public and private sector technologies to the new corporation, and for blending public and private sector human resources expertise in order to achieve its mandate.

FOR MORE INFORMATION contact Brian Scrivens at (416) 360-5263

A CHRONOLOGY OF THE STRATEGIC ALLIANCE PARTNERSHIP SELECTION PROCESS

1988:

April-September Ontario government develops, approves, and announces strategic alliance concept in a published Request for Expressions of Interest -- 72 firms responded.

December Requests for Proposals (RFP) were released to 20 firms, at their request.

1989:

February Government receives proposals from two consortia.

March-June Proposals evaluated by:
- an inter-ministry team;
- government's financial and legal advisors; and,
- an arms-length geographical information consulting firm.

July-November RFP did not result in a clear choice of partner. Decision made to conduct further negotiations with both consortia. Management Board of Cabinet asked to review terms for negotiation, and a case study requirement.

1990:

January Management Board of Cabinet approves the negotiation strategy and a set of mandatory requirements to be met by the bids.

February-April Negotiations ongoing with each consortium.

May Partner is selected:
Real/Data Ontario (RDO).

July Negotiated legal agreements were presented to government for approval.

September NDP government elected.

Fall '90 & Early 1991: Cabinet review of strategic alliance concept, selection process and of the two consortium proposals. Independent reviews also conducted by legal advisors, financial advisors and chartered accountants.

1991:

February Government reaffirms its commitment to the strategic alliance concept and to its partnership with RDO.

May TERANET incorporated.

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TERANET: ACCOUNTABILITY TO THE GOVERNMENT AND PEOPLE OF ONTARIO

TERANET is accountable to the Government and people of Ontario in the following ways:

- * the Board of Directors of the corporation has equal government and Real/Data Ontario, RDO, representation (4 and 4), with the five remaining directors to be jointly appointed;
- * major business decisions will require the agreement of the government and private sector partner appointees to the Board;
- * TERANET staff and management will be drawn from both partners, and from outside the partnership;
- * in an emergency situation, the government has the authority to immediately assume control of the operation of the POLARIS system;
- * a Strategic Alliance office in the Ministry of Consumer and Commercial Relations acts as regular liaison between the government and TERANET on financial affairs, quality control, and land registration operations;
- * the government has the power to review and censor any additional products and fees developed by TERANET;
- * the government has control over all legislation related to the land registration system;
- * government has complete authority over the fee structure for searching and registering documents;
- * government retains full ownership of land registration data; and,
- * strict measures are in place to protect the public against the abuse of data. These measures will be applied to:
 - ensure the integrity, security and accuracy of the data in the automated Land Titles database;
 - prevent data abuse and unauthorized access to the data; and,
 - protect the privacy of information and prevent invasion of privacy in accordance with pertinent laws and regulations.

** THE TERANENT Board of Directors:

Dr. Philip Lapp, Chairman	George Zarzycki
Mohammad K. Al Zaibak	David Lambden
John Sloan	Pat Monaghan
Marti Smye	Vernon Parrington
Anne Foster	Harriet Velazquez

** Three joint appointments have yet to be made.