



# **The Federal Bridge Corporation Limited**

## **Corporate Plan Summary**

**2013-14 to 2017-18**

**2013-14 Operating Budget**

**2013-14 Capital Budget**

TABLE OF CONTENT

1.0 Corporate Profile .....3

2.0 Governance and Accountability .....7

3.0 Operating Context, Risks and Strategic Issues.....9

4.0 Objectives, Activities, Strategies and Performance Measures ..... 13

5.0 FBCL Pro Forma Consolidated Financial Statements..... 18

6.0 Operating and Capital Budgets.....22

**Appendices** .....24

Appendix A – Performance Review of the 2012-13 to 2016-17 Corporate Plan.....25

Appendix B - PAA and FBCL Logic Model Description.....28

Appendix C – List of Abbreviations.....29

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## 1.0 CORPORATE PROFILE

### 1.1 Mandate

FBCL was established in 1998 to oversee and be accountable for the bridges under its control and to provide strategic direction to the asset operators under its jurisdiction. Its mandate is to provide the highest level of stewardship so that its bridge structures are safe and efficient for users. The Corporation is also in a position to provide expertise and advice to the federal government with regard to design, building, maintenance and operation of bridges and associated structures.

### 1.2 Who we are

FBCL is an agent parent Crown corporation listed under Schedule III-I of the FAA, incorporated in 1998 under the *Canada Business Corporations Act* (CBCA). It operates at arm's length from the federal government. As a Crown corporation, FBCL is subject to the accountability regime set out in Part X of the *Financial Administration Act* (FAA). It is accountable to Parliament through the Minister of Transport who is responsible for the Corporation, including the provision of broad policy direction and response to questions in Parliament for FBCL activities. Headquartered in Ottawa, FBCL owns, manages and operates bridges and associated structures in four geographical locations with a governance model that includes three subsidiaries and three international partners.

1. Greater Montreal Area: Responsible for federal domestic bridges including three major bridges and their approaches (Jacques Cartier and Champlain bridges and the federal portion of the Honoré Mercier Bridge), and three associated structures (Bonaventure Expressway, Champlain Bridge Estacade and Melocheville Tunnel). The structures are owned and managed by an FBCL wholly-owned subsidiary, JCCBI.
2. Cornwall: Responsible for management of the international bridge crossing including the North Channel Bridge (NCB), an international roadway and the South Channel Bridge (SCB). The operations are managed by international agreement as a joint venture by an FBCL wholly-owned subsidiary, SIBC on behalf of the assets owners, FBCL and the St. Lawrence Seaway Development Corporation (SLSDC), a federal U.S. entity. Major Canadian capital projects are undertaken directly by FBCL.
3. Sault Ste. Marie: Responsible for the Canadian portion of the Sault Ste. Marie International Bridge. The crossing is managed by the International Bridge Administration (IBA), an entity of the State of Michigan, U.S., through an international agreement between the asset owners, SMRBC, a wholly-owned subsidiary and the IBA. The bridge operations are overseen by a joint international Board of Directors, the Sault Ste. Marie Bridge Authority (SSMBA – U.S.). Major Canadian capital projects are undertaken directly by FBCL.
4. Thousand Islands: Responsible for the Canadian portion of the Thousand Islands International Bridge. The crossing is managed by the Thousand Islands Bridge Authority (TIBA), an entity of the State of New York, U.S., under a bi-national agreement between the asset owners, FBCL and TIBA. Major Canadian capital projects are undertaken directly by FBCL.

### 1.3 Map of Structures





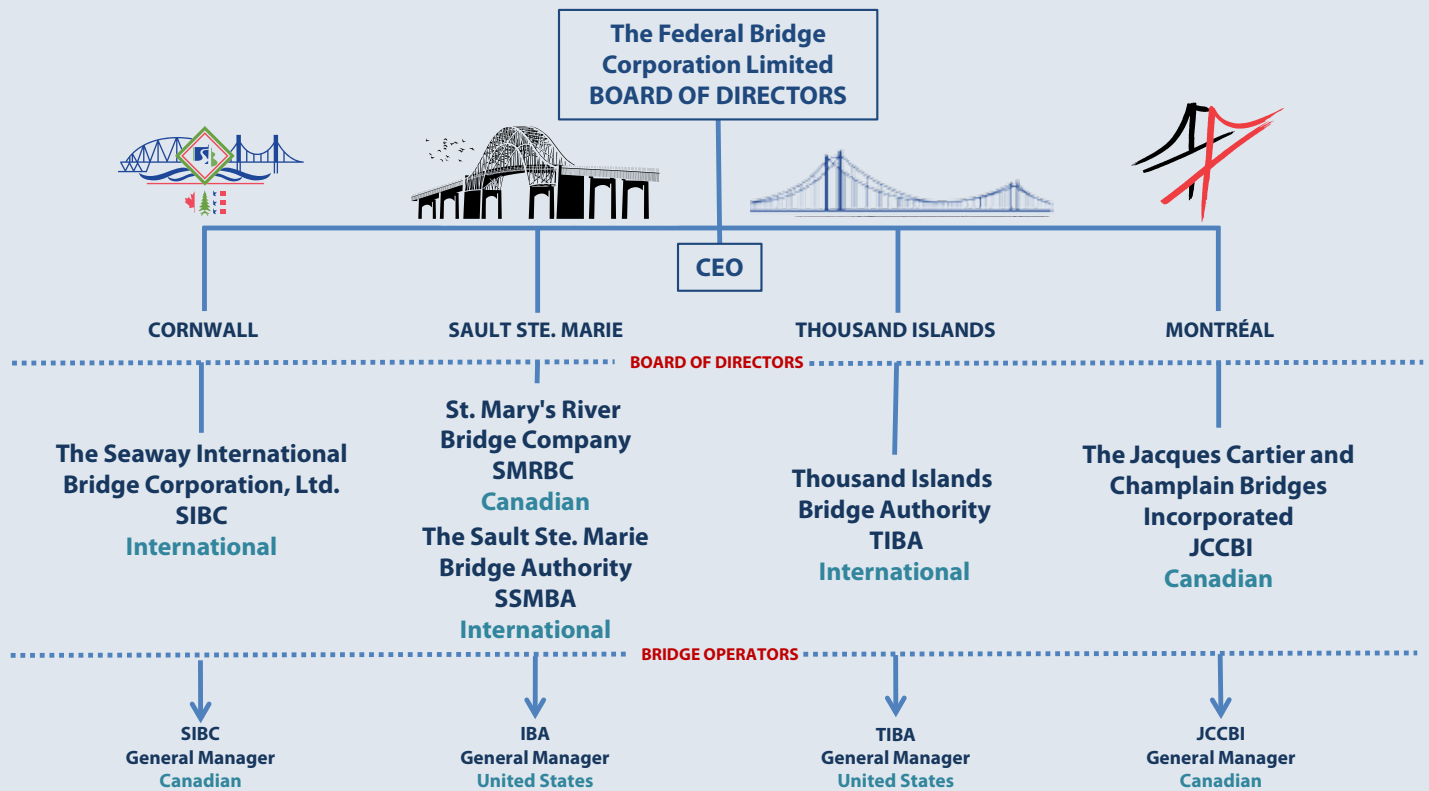
## 1.4 Summary of Operations

NAME	FBCL (HEADQUARTERS)	THE SEAWAY INTERNATIONAL BRIDGE CORPORATION, LTD. (SIBC)	THE THOUSAND ISLANDS BRIDGE AUTHORITY (TIBA)	THE ST. MARY'S RIVER BRIDGE COMPANY (SMRBC)	THE JACQUES CARTIER AND CHAMPLAIN BRIDGES INCORPORATED (JCCBI)
BRIDGE CLASSIFICATION		International	International	International	Domestic
ESTABLISHED	1998 under the CBCA	1962 under the <i>Canada Corporations Act</i> , continued in 1979 under the CBCA	International agreement originating in 1976	1955 as a not-for- profit organization; continued in 2008 under the CBCA	1978 under the CBCA
STATUS WITHIN FBCL	Parent Company	Wholly-owned subsidiary. Joint venture between FBCL and the St. Lawrence Seaway Development Corporation –SLSDC (U.S.)	U.S. bridge operating agency managed by international agreement	Wholly-owned subsidiary	Wholly-owned subsidiary
BOARD OF DIRECTORS	Four Directors appointed by Governor in Council	Each venturer nominates four Directors in accordance with the bi-national agreement. All eight Directors are appointed by FBCL, with the U.S. Directors appointed on the recommendation of SLSDC	Headed by a U.S. Chair, assisted by six Authority Directors, three U.S. and three Canadian. All seven Directors are appointed by the Jefferson County Board of Legislators, the Canadian Directors being appointed on the recommendation of FBCL.	Nine Directors, appointed by FBCL. Joint owners of Sault Ste. Marie International Bridge (SMRBC and MDOT). Each owner nominates four Directors to The Sault Ste. Marie Bridge Authority (SSMBA) in accordance with the bi-national agreement.	Five to seven Directors appointed by FBCL
PRIMARY RESPONSIBILITY	Ownership of JCCBI, SIBC and SMRBC  Owner of Canadian bridges and associated structures at international crossings in Cornwall and Thousand Islands. Responsible for oversight and major rehabilitation	Operation of international crossing at Cornwall, including a land corridor across Cornwall Island and two bridges:  The NCB located in Canada and owned by FBCL  The SCB, which spans the international border and is owned 32% by FBCL (portion in Canada) and 68% by its U.S. counterpart, SLSDC	Oversight of international crossing consisting of separate Canadian and U.S. bridges plus small jointly owned bridges in the middle	Owner of Canadian half of the international bridge and associated structures in Sault Ste. Marie  Appointment of Canadian Directors to SSMBA	Ownership and management of six major bridges and associated infrastructures in the Greater Montreal Region including: – Jacques Cartier Bridge – Champlain Bridge (Corridor) – Honoré Mercier Bridge (Federal section) – Melocheville Tunnel – Bonaventure Expressway (Federal section) – Champlain Bridge Estacade

## 1.5 Use of Funds

FBCL (HEADQUARTERS)	SIBC	SMRBC	TIBA	JCCBI
<p>Operating costs are covered by lease revenues (i.e. TIB Duty Free Store) and publicity panels in Montreal (up to 95% of which is returned to JCCBI to fund security and traffic flow expenditures).</p> <p>Expenditures for CBSA facilities (and if necessary, FBCL operating costs) are funded from Canada's share of net earnings at international bridges.</p> <p>Appropriations and/or contributions are required to fund large capital expenditures (e.g., rehabilitation or replacement of bridges and CBSA facilities).</p>	<p>Toll revenues cover operating, maintenance and minor capital costs.</p> <p>Each owner is allocated 50% of the remaining revenues to fund their capital expenditures.</p> <p>Canada's share of net earnings funds capital on the NCB and 32% of the SCB. Any unused amount is held for future repairs.</p>	<p>Toll revenues cover operating, maintenance and most capital expenses.</p> <p>SMRBC's 50% share of profit is held in trust by IBA to fund future capital repairs.</p> <p>Major capital projects (e.g., Customs Plaza) are funded partly through federal contributions and a credit facility.</p>	<p>Toll revenues cover operating, maintenance and minor capital costs.</p> <p>Each owner is allocated 50% of the remaining revenues that FBCL disburses for operations and maintenance for CBSA facilities. The remainder, if any is held to fund future capital repairs.</p> <p>Major rehabilitation would require parliamentary appropriations or contributions.</p>	<p>Primarily (97%) dependent on parliamentary appropriations for operating and capital expenses, plus minor revenues.</p> <p>Major rehabilitation is funded from project specific parliamentary appropriations.</p>

## 2.0 GOVERNANCE AND ACCOUNTABILITY



### 2.1 FBCL Board

#### Responsibility

As per the FAA, the duties and responsibilities of the FBCL Board are to set corporate objectives and direction, ensure good governance, monitor financial performance, approve consolidated budgets and financial statements, approve policies and by-laws, appoint the directors of subsidiaries, as well as ensure that risks are identified and managed.

#### Independence

Directors of the FBCL Board are required to act honestly, diligently, carefully and in good faith, in accordance with the FAA. They are briefed on and operate under the terms of corporate by-laws designed to prevent conflict of interest, and they are required to recuse themselves from decision making related to potential areas of conflict of interest. FBCL requires that each new Director review and acknowledge his or her understanding of the principles expressed in the Conflict of Interest Code for Directors.

### 2.2 Committees of the FBCL Board

In accordance with sound governance practices, the standing committee of the FBCL Board, the Audit Committee, ensures that all significant measures and initiatives are reviewed in detail in order to make recommendations to the full FBCL Board on the matters at hand. The current Committee is composed of three Directors, one of whom is appointed Chair of the Committee by the FBCL Board.

Given the small size of the FBCL Board, all responsibilities related to matters of oversight in the areas of governance, board nominations and human resources are assumed by the FBCL Board.

#### Audit Committee

The role of the audit committee is as mandated by section 148 of the FAA. The audit committee is responsible for making recommendations to the Board in matters of oversight in the areas of standards of integrity and behaviour, the reporting of internal and external audits, financial information, management control practices, risk management and insurance needs. The FBCL Internal Audit regime aims to strengthen accountability, risk management, resource stewardship, and good governance by ensuring that Internal Audit is a key governance component. FBCL develops risk based multi-year audit plan which identified areas common to FBCL and its subsidiaries.

## 2.3 FBCL Portfolio

As the parent Crown, FBCL manages activities throughout the Corporation in support of its wholly-owned subsidiaries within the limitations of the current governance structure (refer to discussion in section 3). FBCL aims to assume a major coordinating role in finance, strategic planning and reporting, communications, human relations, bridge management and the setting of corporate policy. It focuses on improving communications and transparency both internally and with external stakeholders by identifying core messages to achieve greater consistency and by ensuring the timely flow of information for the benefit of all. The objective is that the parent Crown be the sole link for its portfolio to Transport Canada (TC) and in response to requests from central agencies.

Subsidiary Boards, whose members are appointed by the FBCL Board, are also governed by the duties and responsibilities set out in the FAA. Each subsidiary Board is responsible for establishing the necessary board committees to ensure appropriate oversight of the corporation for which they are accountable. General Managers of each subsidiary report directly to their respective subsidiary Board. Board of Directors of subsidiaries are accountable to the FBCL Board. FBCL is also responsible for nominating the Canadian Directors to be appointed by Jefferson County to whom the U.S. bridge operator TIBA reports at the Thousand Islands International Bridge.

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## 3.0 OPERATING CONTEXT, RISKS AND STRATEGIC ISSUES

### 3.1 Operating Context

In delivering its mandate, FBCL is affected by internal and external trends which highlight its strengths, generate opportunities, create challenges and impacts its key risks. Once identified, these trends are monitored and plans are adapted to address significant fluctuations. For the current planning period, the following trends have been identified as potentially having the largest impact on FBCL's operations.

#### Federal Government Priorities

##### Budget 2013

Economic Action Plan 2013 focuses on economic progress and prosperity. FBCL's projects align with the Plan as follows:

- **Connecting Canadians with Available Jobs** by continuation on FBCL's major construction projects which provide the industry with hundreds of high-quality, well-paying jobs;
- **Helping Manufacturers and Businesses Succeed in the Global Economy** by reducing time and increasing efficiency of environmental assessments and the effect of increased travellers' exemptions on cross-border traffic;
- **Creating a New Building Canada Plan** by FBCL's many infrastructure projects that include investments in modernizing customs facilities at its international bridges, the repairs and maintenance of existing Champlain Bridge including many structures within the Champlain Bridge Corridor in Montreal and constructing a temporary causeway-bridge for île des Sœurs which will be replaced by a new bridge to be constructed by TC to align with the new bridge over the St. Lawrence.

##### Border Plan

The Declaration on a Shared Vision for Perimeter Security and Economic Competitiveness includes a border action plan led by the Department of Public Safety and the U.S. department of Homeland Security. The plan sets out a range of initiatives to promote security and support trade and economic growth, by improving the shared border, by addressing security threats and by supporting prosperity through improved cross-border trade. As CBSA facilities are located at each of FBCL's international bridge crossings, these initiatives have a direct impact on the flow of traffic and the facilities requirements. FBCL continues to engage with its partners, CBSA and TC to meet the objectives of this action plan. Most notable is the direct mention of significant improvements at the Lansdowne crossing where the Thousand Islands International Bridge is located.

#### Economic Situation

The Bank of Canada's fall 2012 analysis reported that the growth of the global economy has slowed in all major regions. The economic expansion in the United States is progressing but with continued uncertainty, while Europe is in recession and growth has been tempered in China and other major emerging economies. However, prices for oil and other commodities produced in Canada have, on average, increased in recent months. In Canada, domestic factors are supporting a moderate expansion. Following the recent period of below-potential growth, the economy is expected to pick up and return to full capacity by the end of 2013.

#### Traffic Patterns

At international crossings, fluctuations in the value of the Canadian dollar continue to impact traffic patterns. As the dollar rises, there is an increase in passenger vehicle traffic to the U.S. and lower export volumes, thus a decrease in truck traffic; as the dollar declines, the opposite occurs. Other factors such as variations in gas prices and the decrease in consumer spending are also expected to affect tourism and traffic patterns in the planning period. Overall, since the economic downturn of 2008, commercial transits have declined at all locations particularly due to difficulties in the export market linked to the U.S. economy. FBCL must continue to monitor these factors and adjust its plans including tolls to ensure long-term financial sustainability of all its international crossings.

The Greater Montreal Area transportation network is fully integrated. Traffic continues to increase with important population shifts to the South Shore which creates additional commuter traffic and a continuous extension of the rush-hour traffic. The network is in many areas operating beyond capacity with major structures that are aged and in some cases showing advance signs of deterioration. Any disruption due to planned works or a specific incident has significant repercussions across the entire region. This environment leads to extended rush hours and the requirement for most works to be completed off peak hours contributing to higher costs. The completion of Highway 30 in December 2012 is anticipated to divert traffic, particularly commercial traffic, away from the core of Montreal.

## Stakeholder Relationships

FBCL has a variety of stakeholders that add a layer of complexity for its operations, in the establishment of its policies and delivery of its projects on an ongoing basis. These include federal partners such as TC, CBSA and PWGSC, provincial and municipal governments and agencies, U.S. governments and agencies, and law enforcement agencies.

At international bridge locations, FBCL is also working with CBSA, TC and the surrounding communities to accommodate and to coordinate the needs of CBSA to ensure efficient and effective border crossings including the alignment in Cornwall to the new bridge. FBCL and SIBC's presence on Cornwall Island requires continuous communications with the Mohawk community. FBCL has contracted out some of the work required for the construction of the new NCB to the Mohawk community in Akwesasne and its subsidiary, SIBC also has employees from of the Mohawk community. In Sault Ste. Marie, FBCL and its subsidiary SMRBC are concluding the purchase of properties required to begin the rehabilitation of the Canadian Customs Plaza Project. At Thousand Islands Bridge, FBCL is planning the expansion project for CBSA to begin in 2013-14. The project details will be communicated to all the stakeholders to ensure their support and to answer their inquiries.

Domestic bridges and associated structures in Montreal are owned and managed by FBCL's subsidiary, JCCBI who must consult and coordinate activities with numerous stakeholders including municipal, regional and provincial governments who also have major construction projects underway or in the planning stages. Mohawk contractors and skilled Mohawk steel workers are participating in the major rehabilitation of the Honoré Mercier Bridge which spans the Mohawk territory of Kahnawake. As project lead, JCCBI has had to navigate important jurisdiction issues between union and non-union labour and the Quebec government that come into play with regards to the regular and major maintenance of this bridge. JCCBI is working with TC to ensure coordination of its entire works, including responsibility for the existing Champlain Bridge, to align with construction of the New Bridge over the St. Lawrence project.

## Environmental Obligations

FBCL must respect all applicable environmental legislation including where required, the completion of environmental assessments in the delivery of its projects.

In Montreal, JCCBI is participating in the Federal Contaminated Sites Action Plan (FCSAP) administered by Environment Canada to address mitigation measures required to contain and treat contaminated groundwater on lands that border the Bonaventure Expressway in Montreal and the St Lawrence River. It is also working with a number of owners and stakeholders to investigate the contamination and implement mitigation plans which is adding considerable complexity to the file. The Technoparc environmental plan for the eastern sector will be developed with these partners.

## 3.2 Strategic Issues and Risks

**Contribution of strategic issues and risks to the strategic outcome** – The following section identifies critical strategic issues and risks facing FBCL over the next five years which impacts the direction to be taken to manage these risks (outlined in section 4 of this document). Each of these key risk areas or issues is interrelated, as to achieve the safety of bridges FBCL must have sustainable funding and a strong corporate structure in place.

### 3.2.1 Bridge Safety

**An important risk exists to the safety of FBCL's bridges and associated structures and the daily commuters travelling on them due to its aged infrastructure and significant funding requirements for their maintenance and repairs.**

FBCL's first priority is ensuring safety at all times on all of its structures. FBCL is judiciously administering its bridge programs to extend the life of its infrastructure as much as possible however economic realities related to the scope of repairs must be taken into consideration. At a critical point where regular maintenance and repairs are no longer sufficient to sustain a bridge structure, government support is sought for major rehabilitation and replacement projects such as the NCB Project in Cornwall, the new bridge over the St. Lawrence and the île des Sœurs Bridge replacement projects in Montreal.

In the management of international crossings, FBCL is subject to the requirements and standards outlined in the *International Bridges and Tunnels Act* (IBTA) together with related regulations and codes under which specific and timely reporting to the Minister must be provided. The inspection reports completed for the international crossings at Sault Ste. Marie, Thousand Islands and SCB in Cornwall evaluated them as being in good condition and a bridge maintenance program is in place for these structures. In Cornwall, the original NCB is being maintained and repaired as required to ensure safety. The replacement of the new bridge is progressing well with completion of the piers and work on the approaches and bridge substructure well underway. The new bridge is expected to be completed with demolition of the old structure by 2015-16.

The domestic bridges in Montreal are aged and have been subjected to years of heavy traffic, climate exposure and heavy use of road salt. Despite all the major works to date and being presently delivered, these structures will concurrently require major rehabilitation over the next decade. Traffic congestion on all South Shore bridges has a major impact on JCCBI's ability to carry out regular and major maintenance work during normal working hours, thus impacting the planning, execution and costs of repairs. There are major works either planned or underway at almost all of the domestic bridge structures and some structures are demonstrating advanced stages of degradation and the risk to safety is increasing. JCCBI will continue to focus on funded works and to monitor the condition of the bridges and associated structures closely. Planning for the longer term and communication of issues and resource requirements are ongoing.

### 3.2.2 Bridge Security

**Intentional acts such as terrorism, protests and vandalism resulting in risks to the users of the bridges and associated structures and/or property damage causing closure of crossing or flow of traffic will bring into question FBCL's capacity and credibility in managing the assets. Security can only be achieved in parallel with the achievement of a reduction in bridge safety risks.**

FBCL is in the planning process of implementing a security plan and security management system at each crossing as per IBTA requirements. In Cornwall, FBCL and SIBC have approached Mohawk leaders, explaining the need for a cooperative approach to improving the security environment on Cornwall Island. International bridges have recently been targeted by the "Idle No More" movement by First Nations. Training has been provided to some workers to identify threats and the international bridge operators continue to work collaboratively with CBSA and police forces at all locations to address specific issues. Contingency plans are in place for most emergencies.

Over the years, Montreal area bridges have been targeted due primarily to their visibility by various protesters. Most recently in 2012, there were numerous student protests and anti-capitalist demonstrations that led to closure of some of the bridges and their approaches. The protests appear to have subsided at this time however; these incidents highlight the risks associated with groups using the bridges as protest points which at times have led to violence and danger to bridge users and the general public. Standing meetings and collaborative plans are in place with the police forces to address specific issues. Contingency plans are in place for most emergencies and there are surveillance systems on most of the bridges and associated structures.

### 3.2.3 Sustainable Funding

**Inadequate operating and capital long-term funds, an inability to rely on tolls and to reallocate resources across assets, affect FBCL's ability to perform maintenance and inspections thus increasing the risk from incidents on its bridges and associated structures.**

International bridges continue to experience increased financial pressures to be self-sufficient. The premise is that toll revenues would cover operating and maintenance while capital expenditures would be funded by the accumulated share of net earnings. Traffic levels are highly dependent on a strong economy in Canada and the U.S. and therefore current toll revenues generated and projected are low. In addition, tolling revenues in Cornwall represent only 40% of the income generating capacity of this crossing due to free passage granted to the Mohawk community by the Government of Canada through an historic agreement and subsequent negotiations. These revenues are not reimbursed to the Corporation, creating a significant funding gap. FBCL and its international bridge subsidiaries review toll rates on an annual basis and review other possible commercial partnerships. Capital expenditures for identified projects have required funding through government appropriations, contributions or other transfers (new NCB, new CBSA facilities in Sault Ste. Marie, Thousand Islands and Cornwall.) FBCL is working with federal partners to identify other funding sources for the CBSA expenditures.

In the management of domestic bridges in Montreal, JCCBI is forecasting expenditure requirements for the next decade exceeding \$1B. A formal request is being considered by government. JCCBI has minimal revenue generation potential under its authority other than a potential for the introduction of tolls which is based on the user pay policy and is a strategic decision at the government level only. Currently, nearly all funding is provided through appropriations. Despite important investment levels in the recent years, JCCBI continues to be faced with critical long-term infrastructure deficits. Currently, other than specific funding for the Champlain Bridge 10-year maintenance plan and the Honoré Mercier rehabilitation project, JCCBI does not have the authority to issue multi-year contracts resulting in significant operational planning delays and cost escalation. The Corporation has been working to address short and long term funding requirements.

### 3.2.4 Corporate Structure

**FBCL's complex governance model does not permit effective oversight and accountability. It also does not provide the CEO the authority and accountability for the performance of all of FBCL, including its subsidiaries, as identified by the OAG in its 2008 Special Examination.**

FBCL's corporate structure involving a head office in Ottawa, three wholly-owned subsidiaries and two joint international boards of directors, including U.S. directors and U.S. bridge operators is quite complex. While the FBCL mandate is to provide the highest level of stewardship so that its bridge structures are safe and efficient for users, the current governance structure continues to provide unique challenges in accountability.

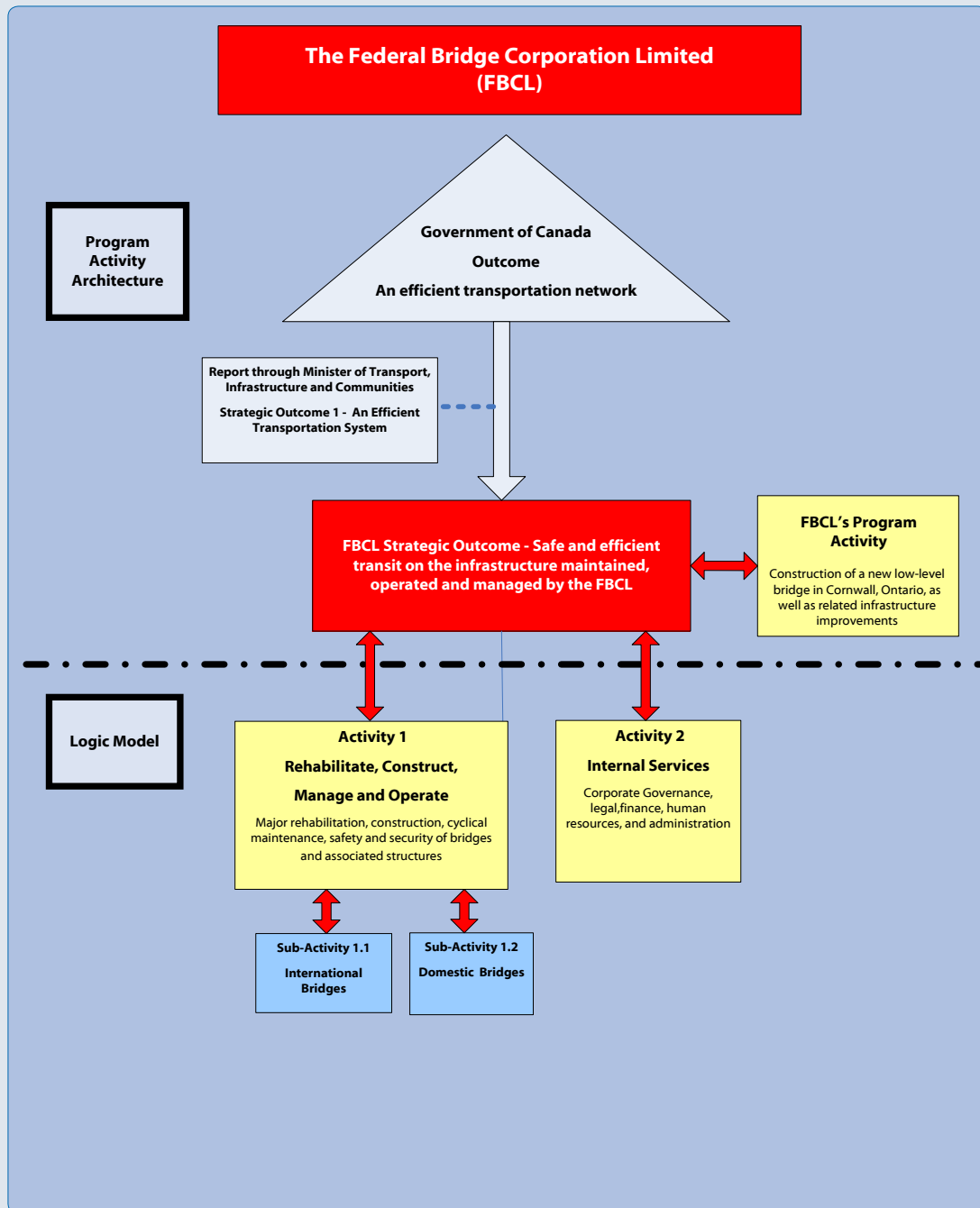
Key steps were undertaken to address some of the issues identified. Executive members of FBCL have been appointed to SMRBC, SIBC and TIBA Boards of Directors. Annual letters of expectations from the FBCL Board to each Subsidiary Board continue to be issued annually to ensure communication of corporate direction, government initiatives, resource management and governance regime. Quarterly reporting standards have also been communicated. FBCL endeavours to continue strengthening the relationships with its subsidiaries and participating in government's analysis of the corporation. Important benefits would result from simplification of the corporate structure including greater accountability and efficiency.

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## 4.0 OBJECTIVES, ACTIVITIES, STRATEGIES AND PERFORMANCE MEASURES

### 4.1 FBCL Program Activity Architecture (PAA) / Logic Model

(See Appendix B for detailed activity descriptions)





## 4.2 Activities

The following are the corporate objectives, strategies and performance targets by activity that FBCL will undertake during the next five years to deliver its mandate.

### 4.2.1 Activity 1 - Rehabilitate, Construct, Manage and Operate

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#### Expected Result/Objective:

*Ensure the ongoing safety of bridges and associated structures through cyclical inspections, maintenance and repairs and review of opportunities for revenue generation at all locations.*

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#### Strategies:

- Complete bridge inspections, identify/prioritize long-term major rehabilitation requirements and undertake all repairs within available funding;
- Improve maintenance and operations by adopting innovative measures in construction techniques and materials, structural inspections tools and methodologies;
- Deliver key funded rehabilitation projects on time and on budget; and
- Continue to work with CBSA and TC to ensure safe and secure passage at all international crossings.

#### Specific Plans:

The safety of the FBCL bridges must be ensured at all times. These bridges and associated structures are maintained in accordance with applicable inspection standards set by Canadian and U.S. federal agencies. Inspection programs are in place at all locations to ensure that the most up to date information is available to inform decision-making on short and long-term maintenance programs. At international bridges, the inspection reports for the international crossings at Sault Ste. Marie, Thousand Islands and SCB in Cornwall evaluated them as being in good condition. For the domestic bridges in Montreal, ongoing inspections and detailed reports continue to inform the maintenance and capital plans.

FBCL's assets are costly. The maintenance, repairs and rehabilitation of the bridges that are aging must be optimized to ensure maximum duration and safety. Timing of infrastructure investments is critical. Any new assets must be constructed based on high sustainability principles.

Very significant infrastructure projects are currently being delivered or are planned at nearly all of the bridge locations. The combined level of activity is unprecedented for this corporation. The 2012-13 in-year capital spending is estimated to reach some \$91.4M and maintenance activities will likely exceed all historical records nearing some \$81.8M across all locations. FBCL delivered major repair and maintenance projects, some of which will continue in 2013-14 and beyond to ensure bridge safety and infrastructure renewal. The maintenance and capital works for the next 5 years ahead are projected to be even more significant with construction continuing or starting on important large projects:

- The Sault Ste. Marie customs plaza rehabilitation (proposed \$51.4M – 2009 to 2014 with revised completion to 2017) originates from the Gateways and Border Crossings Fund managed by TC; designs were completed and approved by Canada Border Services Agency (CBSA) and land acquisitions were completed or are in the final stages of acquisition from SMRBC funds. Construction works could start in the summer 2013 with site preparation, the Duty Free building construction and planning for the U.S. Plaza Project which is underway;
- The new NCB in Cornwall (\$74.8M – 2010 to 2016); second year featured the construction phase of the bridge and associated structures with works begun in 2011-12 then continuing into 2013-14 and completion with demolition of the old structure by 2015-16. In addition to these works, permanent tolling facilities are being planned and surveys were completed for this purpose on the Canal Lands adjacent to the north abutment of the new bridge, which are within the City of Cornwall. Preparations and negotiations are continuing for the temporary CBSA facilities and plans are being developed to align with the new bridge and new tolling facilities ;
- The Thousand Islands Bridge Customs Facility Rehabilitation (\$60M – 2013 to 2017); Plans are being elaborated for a new and enlarged Canadian Plaza. FBCL has developed of a conceptual plan to meet the CBSA Statement of Requirements. The project is in its initial planning phase;

- The Honoré Mercier Bridge (\$135M – 2009 to 2011 with revised completion to 2014) rehabilitation in Montreal has been extended to 2013-14 due to additional works on the Quebec portion of the bridge;
  - Contract A (original scope) has been completed. Quebec has requested additional important repairs to be added into Contract A expected to continue into 2013. Strengthening of JCCBI's section of the bridge was started in 2012-13 and will continue in 2013-14. The re-decking works will begin in 2013-14.
  - Contract B involves fabrication of bridge deck panels which were to be completed in 2012-13. These panels are planned to be installed by the Mohawk Consortium retained under Contract A. The required steel reinforcements and repairs are underway and will be ongoing through 2013-14 to the federal portion of the bridge.
- The fourth year of the major repair program of the Champlain Bridge (\$212M/10-years) was successfully completed. Extensive maintenance works will need to continue Bridge while awaiting the completion of the new bridge across the St. Lawrence scheduled for 2020–21; The second year of the 3-year \$227.6M funding for urgent repairs and asset preservation was completed with works delivered on Highway 15, the Bonaventure Expressway, the Jacques Cartier Bridge, the Honoré Mercier Bridge, the Melocheville Tunnel and the Champlain Bridge Ice Control Structure. The third year of these works will be delivered in 2013-14; and
- Plans are being elaborated with adjacent land owners to address the contaminated eastern sector of the Technoparc lands as well as to rehabilitate the elevated section of the Bonaventure Expressway (federal portion). These plans will be presented together with the longer-term funding requirements of JCCBI.

On July 12th, 2012, the Minister of Transport and Minister of the Economic Development Agency of Canada for the Regions of Quebec announced the replacement of three overpasses on Highway 15 and the construction of a temporary causeway-bridge between île des Sœurs and Montreal to be managed by the subsidiary, JCCBI. This causeway-bridge, to be constructed by 2014-15 will be in place until the île des Sœurs Bridge is permanently replaced as part of the construction of the new crossing over the St. Lawrence River (\$124.9M – 2013 to 2015).

Performance Measures	Performance Indicators	Timeline
1. Ensure bridge safety of full portfolio by continuing review of inspection reports and reporting on high-risk areas	Reporting of results of inspection program	Annually
	Joint meetings and formal reports on asset risks as part of FBCL ERM	Annually
2. Ensure innovations or new technologies are explored and/or utilized	Types of results of innovation and/or technologies used	Annually
3. Seek approval of long-term funding to address major risks for domestic bridges and associated structures in Montreal	Allocation of long-term funding for JCCBI	2013-14
4. Ensure safety of existing NCB in Cornwall while new bridge being built	Completion of work plan based on annual inspection and daily operational review	2013-14
5. Deliver funded bridge projects on time and on budget	NCB (\$74.8M)	2013-16
	Honoré Mercier Bridge (\$161M – from original \$135M)	2013-14
6. Review revenue generation opportunities to assist in funding long-term capital requirements	International Crossings – review with U.S. partners	Annually
7. Meet obligations of the <i>Customs Act</i> , (Section 6) at international crossings	Cornwall: Authorities granted and funding allocated for interim port of entry	2013-16
	Sault Ste. Marie: Customs Plaza Rehabilitation (\$51.4M from original \$44.1M)	2013-17
	Thousand Islands: Obtain project approval and required funding to renew the CBSA facility	2013-14

## 4.2.2 Activity 2 - Internal Services

### Overview:

*Internal Services are groups of related activities and resources that support the strategic outcome and issues and other corporate obligations of FBCL. As a small entity, FBCL's internal services include management support, and resource management services including finance, internal audit, risk management, strategic planning and reporting, and human resources activities. This professional expertise is integrated in all activities to appropriately manage risks, deliver projects as planned and complete liaison with external federal agencies.*

### Strategies:

- Deliver professional services that provide strategic advantage to FBCL and its subsidiaries and facilitates effective and efficient management in the delivery of its projects and operations; and
- Keep stakeholders and bridge users well informed on the status of works and resulting traffic disruptions using social media and other communication tools.

### Specific Plans:

FBCL will continue to conduct its operations in accordance with applicable government policies and regulations. It will collaborate and remain responsive with TC, through which it reports, central agencies and other stakeholders in order to achieve its strategic outcome. FBCL will endeavour to set direction with subsidiaries by exchanging on best practices, providing guidance on government policy trends and establishing corporate-wide planning and reporting processes and procedures. FBCL and its subsidiaries will continue to exercise prudence to ensure optimal use of public funds.

### Communications

FBCL continues to maintain a strong ongoing relationship with TC communications to ensure the availability of continuous information on all issues potentially having an impact on FBCL bridges and associated structures.

FBCL is a leader in the use of social media as an effective tool for sharing timely information on its operations and special projects. These highly effective communication tools have proven essential to provide the most up-to-date information to users.

"Blogs (as of January 8 2013)"	Blog address Twitter address	Email Subscriptions	Twitter Subscriptions	RSS Feed	Single Hits	Total Hits
Jacques Cartier Bridge	<a href="http://www.jacquescartierbridge.ca">www.jacquescartierbridge.ca</a> <a href="https://twitter.com/PontJCBridge">https://twitter.com/PontJCBridge</a>	265	3,107	256	77,284	97,720
Champlain Bridge	<a href="http://www.champlainbridge.ca">www.champlainbridge.ca</a> <a href="https://twitter.com/PontChampBridge">https://twitter.com/PontChampBridge</a>	944	4,724	854	105,635	150,674
Honoré Mercier Bridge	<a href="http://www.mercierbridge.ca">www.mercierbridge.ca</a> <a href="https://twitter.com/pontmercier">https://twitter.com/pontmercier</a>	1,530	1,778	1320	106,551	207,196
Cornwall NCB	<a href="http://www.cornwallbridge.ca">www.cornwallbridge.ca</a> <a href="https://twitter.com/FBCL_SPFL">https://twitter.com/FBCL_SPFL</a>	168	67	152	353	440
<b>Total</b>		<b>2,907</b>	<b>9,676</b>	<b>2,582</b>	<b>289,823</b>	<b>456,030</b>

Internet blog sites are also being prepared and will be activated at construction initiation for:

- Sault Ste. Marie for the Canadian Plaza Rehabilitation project
- Similar communications are also being planned for the Customs Plaza Rehabilitation at the Thousand Islands Bridge

### Support of Government Direction for Expenditure Restraint

The Government of Canada continues to be committed to fiscal prudence and expects all federal organizations including those that are not appropriated by Parliament, to adopt the spirit and intent of this direction. FBCL and its subsidiaries remain committed to vigilance in regards to the use of public funds. As such, FBCL and its subsidiaries are focusing on the following:

- i. Changes to Voluntary Severance Benefits - FBCL and its subsidiary SIBC have moved forward to adopt the initiative of ending voluntary severance eligibility to its employees as of January 1, 2012. These benefits were similar to those offered in the broader public service that has now been largely eliminated. JCCBI has negotiated this change with one of its bargaining units, excluded employees and is currently in negotiations with its other bargaining unit.
- ii. Salaries and Other Benefits - FBCL will continue to look to broader federal Government trends when reviewing compensation matters.
- iii. Return to balanced budgets - As part of savings identified in the Budget 2012, JCCBI will reduce its spending annually starting in 2013-14 and ongoing for future years through cancellation of property insurance policies. Other non-appropriated entities within the group have, under their own authority, realized savings in excess of 5% of operating budgets in 2012-13 and ongoing years. Saving areas include an alignment with policies on severance upon termination and retirement, the realignment, optimization and sharing of internal services across the portfolio and a reduction in travel expenditures.
- iv. Information Technology - Through the above-mentioned governmental reviews, the Government has given specific direction to all government organizations in regards to the coordination of spending on technology. FBCL continues to monitor developments in a number of areas including the coordination of financial systems and archives management.

Performance Measures	Performance Indicators	Timeline
1. Meet all legislative and regulatory reporting requirements	Number of reports meeting requirement that are delivered in a timely manner	Annually
	Update and delivery of multi-year, corporate-wide Internal Audit Plan	2013-2014
2. Continue to improve the Enterprise Risk Management process	ERM policy approved by FBCL Board and rolled-out to the subsidiaries	2013-2015
3. Continue to provide information in support of an optimal corporate structure for FBCL	Report on progress of corporate structure challenges	Under government consideration
4. Keep stakeholders and bridge users well informed on the status of works and resulting traffic disruptions using social media and other tools	Statistics on number of subscribers and visitors to sites	Annually
5. Support budget restraint measures	Savings reported as an update on key initiatives	Annually

## 5.0 FBCL PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

### Basis of Presentation of Financial Statements

The following section presents the FBCL Pro Forma Consolidated Statement of Financial Position, Consolidated Statement of Operations, Consolidated Statement of Change in Net Debt, Consolidated Statement of Remeasurement Gains and Losses and Consolidated Statement of Cash Flow.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31

(in thousands of dollars)

	Actual 2011-12	Current forecast 2012-13	Main Budget 2012-13	Budget				
				2013-14	2014-15	2015-16	2016-17	2017-18
<b>FINANCIAL ASSETS</b>								
Cash and cash equivalents	38,370	28,227	26,709	26,050	21,103	20,728	21,751	22,743
Portfolio investments	3,343	12,525	7,959	15,758	18,758	18,758	17,764	17,275
Accounts receivable								
Federal departments and agencies	13,612	9,391	3,328	8,687	8,629	8,599	8,637	8,875
Other	2,370	1,863	3,805	2,049	2,049	1,999	1,999	1,999
Accrued interest receivable	81	50	63	50	25	15	10	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>57,776</b>	<b>52,056</b>	<b>41,864</b>	<b>52,594</b>	<b>50,564</b>	<b>50,099</b>	<b>50,161</b>	<b>50,892</b>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	24,608	22,304	19,937	23,768	23,765	23,790	23,884	24,178
Due to a government partner	2,075	1,715	2,530	1,787	1,811	1,837	1,863	2,241
Client deposits and holdbacks	5,449	5,997	3,297	5,997	5,997	5,497	5,497	5,247
Employee future benefits	1,271	1,197	1,516	1,103	1,161	1,196	1,158	925
Environmental obligation	28,100	28,100	1,000	27,249	20,336	12,910	11,246	9,518
Asset retirement obligation	15,885	15,885	15,433	13,502	-	-	-	-
Credit facility	5,000	5,000	4,847	4,854	4,701	4,539	4,369	4,189
Deferred revenue	610	631	626	631	631	631	631	631
Deferred capital funding	249,472	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>332,470</b>	<b>80,829</b>	<b>49,186</b>	<b>78,891</b>	<b>58,402</b>	<b>50,400</b>	<b>48,648</b>	<b>46,929</b>
<b>NET DEBT</b>	<b>(274,694)</b>	<b>(28,773)</b>	<b>(7,322)</b>	<b>(26,297)</b>	<b>(7,838)</b>	<b>(301)</b>	<b>1,513</b>	<b>3,963</b>
<b>NON-FINANCIAL ASSETS</b>								
Tangible capital assets	300,347	379,101	424,233	525,069	607,140	649,446	686,631	691,788
Prepaid expenses	1,118	1,820	734	1,220	1,220	1,120	1,020	920
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>301,465</b>	<b>380,921</b>	<b>424,967</b>	<b>526,289</b>	<b>608,360</b>	<b>650,566</b>	<b>687,651</b>	<b>692,708</b>
<b>ACCUMULATED SURPLUS</b>	<b>26,771</b>	<b>352,147</b>	<b>417,645</b>	<b>499,991</b>	<b>600,522</b>	<b>650,265</b>	<b>689,165</b>	<b>696,671</b>
<b>Accumulated surplus is comprised of:</b>								
Accumulated operating surplus	26,771	352,118	417,646	499,962	600,493	650,236	689,136	696,642
Accumulated remeasurement gains	-	29	-	29	29	29	29	29
<b>26,771</b>	<b>352,147</b>	<b>417,646</b>	<b>499,991</b>	<b>600,522</b>	<b>650,265</b>	<b>689,165</b>	<b>696,671</b>	



**CONSOLIDATED STATEMENT OF OPERATIONS**for the year ending March 31  
(in thousands of dollars)

	Actual 2011-12	Current forecast 2012-13	Main Budget 2012-13	Budget				
				2013-14	2014-15	2015-16	2016-17	2017-18
<b>REVENUES</b>								
Tolls	5,436	5,247	5,244	5,552	5,954	6,008	6,059	6,234
Leases and permits	4,577	4,891	4,820	5,003	5,085	5,165	5,245	5,327
International Thousand Islands Bridge operating revenues	3,490	3,637	3,938	4,047	4,087	4,128	4,170	4,211
Interest	396	464	317	563	563	564	566	567
Other	82	12	35	27	28	29	30	31
<b>TOTAL REVENUES</b>	<b>13,981</b>	<b>14,251</b>	<b>14,354</b>	<b>15,192</b>	<b>15,717</b>	<b>15,894</b>	<b>16,070</b>	<b>16,370</b>
<b>EXPENSES</b>								
Maintenance	60,259	81,751	80,988	114,485	129,074	136,520	142,258	135,291
Operations	5,521	5,622	5,679	5,868	6,028	6,210	6,961	7,284
Administration	10,718	9,608	10,095	9,828	9,887	10,032	10,288	10,514
International Thousand Islands Bridge operating expenses	2,743	3,354	2,798	3,605	3,558	4,444	4,534	4,626
Amortization	12,744	14,417	13,242	15,609	13,726	12,946	19,946	21,275
Provision for environmental obligation	27,100	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>119,085</b>	<b>114,752</b>	<b>112,802</b>	<b>149,395</b>	<b>162,273</b>	<b>170,152</b>	<b>183,987</b>	<b>178,989</b>
<b>DEFICIT BEFORE GOVERNMENT FUNDING</b>	<b>(105,104)</b>	<b>(100,501)</b>	<b>(98,448)</b>	<b>(134,203)</b>	<b>(146,556)</b>	<b>(154,258)</b>	<b>(167,917)</b>	<b>(162,619)</b>
Parliamentary appropriations (as currently voted and approved)	62,494	196,425	194,810	268,386	109,863	34,502	26,473	26,474
Anticipated re-profiling of parliamentary appropriations	-	(20,739)	-	1,338	15,314	914	3,173	-
JCCBI adjustment to special financing with Transport Canada	-	-	-	2,357	-	-	-	-
SMRBC Contribution agreement - Customs Plaza	1,582	631	7,564	6,600	16,000	19,000	5,280	-
Lansdowne Customs Facility Rehabilitation*	-	-	-	2,500	3,500	18,000	27,000	9,000
Amortization of deferred capital funding	7,598	-	-	-	-	-	-	-
Future funding requirements (JCCBI)	-	-	-	866	102,410	131,585	144,891	134,651
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(33,430)</b>	<b>75,816</b>	<b>103,926</b>	<b>147,844</b>	<b>100,531</b>	<b>49,743</b>	<b>38,900</b>	<b>7,506</b>
<b>ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR</b>	<b>60,201</b>	<b>26,771</b>	<b>52,640</b>	<b>352,118</b>	<b>499,962</b>	<b>600,493</b>	<b>650,236</b>	<b>689,136</b>
Beginning of year adjustment for remeasurement losses	-	60	-	-	-	-	-	-
Reclassification of deferred capital funding	-	249,471	261,080	-	-	-	-	-
<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>	<b>26,771</b>	<b>352,118</b>	<b>417,646</b>	<b>499,962</b>	<b>600,493</b>	<b>650,236</b>	<b>689,136</b>	<b>696,642</b>

\* Subject to granting of government authorities and allocation of funding.

**CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES**for the year ending March 31  
(in thousands of dollars)

	Actual 2011-12	Current forecast 2012-13	Main Budget 2012-13	Budget				
				2013-14	2014-15	2015-16	2016-17	2017-18
<b>Accumulated remeasurement gains and (losses) at beginning of year</b>	-	(60)	-	29	29	29	29	29
Unrealized gains (losses) attributable to:								
Foreign exchange	-	66	-	-	-	-	-	-
Portfolio investments	-	(32)	-	-	-	-	-	-
Amounts reclassified to the statement of operations:								
Foreign exchange	-	60	-	-	-	-	-	-
Portfolio investments	-	(5)	-	-	-	-	-	-
<b>Net remeasurement gains for the year</b>	-	89	-	-	-	-	-	-
<b>Accumulated remeasurement gains at end of year</b>	-	29	-	29	29	29	29	29

**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**

for the year ending March 31  
(in thousands of dollars)

	Actual 2011-12	Current forecast 2012-13	Main Budget 2012-13	Budget				
				2013-14	2014-15	2015-16	2016-17	2017-18
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(33,430)</b>	75,816	103,926	147,844	100,531	49,743	38,900	7,506
Acquisition of tangible capital assets	<b>(44,552)</b>	(93,171)	(126,170)	(161,577)	(95,797)	(55,252)	(57,132)	(26,432)
Amortization of tangible capital assets	<b>12,744</b>	14,417	13,242	15,609	13,726	12,946	19,946	21,275
	<b>(65,238)</b>	(2,938)	(9,002)	1,876	18,460	7,437	1,714	2,349
Use (Acquisition) of prepaid expenses	<b>(373)</b>	(642)	-	600	-	100	100	100
	<b>(373)</b>	(642)	-	600	-	100	100	100
Net remeasurement gains for the year	-	89	-	-	-	-	-	-
<b>(INCREASE) / DECREASE IN NET FINANCIAL ASSETS (DEBT)</b>	<b>(65,611)</b>	(3,491)	(9,002)	2,476	18,460	7,537	1,814	2,449
<b>NET DEBT AT BEGINNING OF YEAR</b>	<b>(209,083)</b>	(274,694)	(259,399)	(28,773)	(26,297)	(7,837)	(300)	1,515
Beginning of year adjustment for remeasurement losses	-	(60)	-	-	-	-	-	-
Reclassification of deferred capital funding	-	249,472	261,080	-	-	-	-	-
<b>NET DEBT AT END OF YEAR</b>	<b>(274,694)</b>	(28,773)	(7,321)	(26,297)	(7,837)	(300)	1,515	3,964

**CONSOLIDATED STATEMENT OF CASH FLOWS**

for the year ending March 31  
(in thousands of dollars)

	Actual 2011-12	Current forecast 2012-13	Main Budget 2012-13	Budget				
				2013-14	2014-15	2015-16	2016-17	2017-18
<b>OPERATING TRANSACTIONS</b>								
Annual operating surplus (deficit)	(33,430)	75,816	103,926	147,844	100,531	49,743	38,900	7,506
Adjustments for non-cash items:								
Amortization of tangible capital assets	12,744	14,417	13,242	15,609	13,726	12,946	19,946	21,275
Amortization of deferred capital funding	(7,598)	-	-	-	-	-	-	-
Changes in non-cash working capital items:								
Increase (decrease) of client deposits and holdbacks	3,083	548	3	-	-	(500)	-	(250)
Increase (decrease) of asset retirement obligation	452	-	-	(2,383)	(13,502)	-	-	-
(Increase) decrease in due from Canada	(8,570)	4,221	(25)	704	58	30	(38)	(238)
Increase (decrease) of employee future benefits	(99)	(74)	91	(94)	58	35	(38)	(233)
Increase (decrease) in environmental obligation	27,100	-	-	(851)	(6,913)	(7,426)	(1,664)	(1,728)
Net change in other non-cash items	2,443	(2,358)	(425)	1,878	21	185	199	404
<b>NET CASH PROVIDED BY / (APPLIED TO) OPERATING ACTIVITIES</b>	<b>(3,875)</b>	<b>92,570</b>	<b>116,812</b>	<b>162,707</b>	<b>93,979</b>	<b>55,013</b>	<b>57,305</b>	<b>26,736</b>
<b>CAPITAL TRANSACTIONS</b>								
Cash used to acquire tangible capital assets	(36,954)	(93,171)	(126,170)	(161,577)	(95,797)	(55,252)	(57,132)	(26,432)
<b>NET CASH APPLIED TO CAPITAL ACTIVITIES</b>	<b>(36,954)</b>	<b>(93,171)</b>	<b>(126,170)</b>	<b>(161,577)</b>	<b>(95,797)</b>	<b>(55,252)</b>	<b>(57,132)</b>	<b>(26,432)</b>
<b>INVESTING TRANSACTIONS</b>								
Acquisition of investments	(2,212)	(10,144)	1,576	(3,233)	(3,000)	-	-	-
Disposal of investments	12,075	962	2,194	-	-	-	994	489
<b>NET CASH PROVIDED BY / (APPLIED TO) INVESTING ACTIVITIES</b>	<b>9,863</b>	<b>(9,182)</b>	<b>3,770</b>	<b>(3,233)</b>	<b>(3,000)</b>	<b>-</b>	<b>994</b>	<b>489</b>
<b>FINANCING TRANSACTIONS</b>								
Increase (decrease) in amount due to a government partner	232	(360)	180	72	24	26	26	378
Increase in deferred capital funding	35,629	-	-	-	-	-	-	-
Proceeds from credit facility	5,000	-	-	-	-	-	-	-
Repayment of credit facility	-	-	(153)	(146)	(153)	(162)	(170)	(180)
<b>NET CASH PROVIDED BY / (APPLIED TO) FINANCING ACTIVITIES</b>	<b>40,861</b>	<b>(360)</b>	<b>27</b>	<b>(74)</b>	<b>(129)</b>	<b>(136)</b>	<b>(144)</b>	<b>198</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>9,895</b>	<b>(10,143)</b>	<b>(5,561)</b>	<b>(2,177)</b>	<b>(4,947)</b>	<b>(375)</b>	<b>1,023</b>	<b>992</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>28,475</b>	<b>38,370</b>	<b>32,271</b>	<b>28,227</b>	<b>26,050</b>	<b>21,103</b>	<b>20,728</b>	<b>21,751</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>38,370</b>	<b>28,227</b>	<b>26,710</b>	<b>26,050</b>	<b>21,103</b>	<b>20,728</b>	<b>21,751</b>	<b>22,743</b>

## 6.0 OPERATING AND CAPITAL BUDGETS

### 6.1 OPERATING BUDGET

for the year ending March 31  
(in thousands of dollars)

	2013-14		2014-15		2015-16		2016-17		2017-18	
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>FUNDING</b>	<b>127,180</b>	<b>38,910</b>	<b>18,742</b>	<b>17,896</b>	<b>17,897</b>	<b>17,897</b>	<b>17,897</b>	<b>17,897</b>	<b>17,897</b>	<b>17,897</b>
Parliamentary appropriations for operating expenses (JCCBI)	(7,781)	(6,847)	(9,408)	(15,061)	(11,325)	(11,325)	(11,325)	(11,325)	(11,325)	(11,325)
Input factor adjustment (JCCBI)	5,552	5,954	6,008	6,059	6,234	6,234	6,234	6,234	6,234	6,234
Tolls	5,003	5,085	5,165	5,245	5,327	5,327	5,327	5,327	5,327	5,327
Leases and permits	4,047	4,087	4,128	4,170	4,211	4,211	4,211	4,211	4,211	4,211
International Thousand Islands Bridge operating revenues	563	563	564	566	567	567	567	567	567	567
Interest	27	28	29	30	31	31	31	31	31	31
Other	-	-	393	245	121	121	121	121	121	121
FBCI cash reserves	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUNDING</b>	<b>134,591</b>	<b>47,780</b>	<b>25,621</b>	<b>19,150</b>	<b>23,063</b>	<b>23,063</b>	<b>23,063</b>	<b>23,063</b>	<b>23,063</b>	<b>23,063</b>
<b>EXPENSES</b>	<b>114,485</b>	<b>129,074</b>	<b>136,520</b>	<b>142,258</b>	<b>135,291</b>	<b>135,291</b>	<b>135,291</b>	<b>135,291</b>	<b>135,291</b>	<b>135,291</b>
Maintenance	5,868	6,028	6,210	6,961	7,284	7,284	7,284	7,284	7,284	7,284
Operations	9,828	9,887	10,032	10,288	10,514	10,514	10,514	10,514	10,514	10,514
Administration	3,605	3,558	4,444	4,534	4,626	4,626	4,626	4,626	4,626	4,626
Thousand Islands Bridge operating expenses	133,786	148,547	157,206	164,041	157,714	157,714	157,714	157,714	157,714	157,714
<b>TOTAL EXPENSES</b>	<b>805</b>	<b>(100,767)</b>	<b>(131,585)</b>	<b>(144,891)</b>	<b>(134,651)</b>	<b>(134,651)</b>	<b>(134,651)</b>	<b>(134,651)</b>	<b>(134,651)</b>	<b>(134,651)</b>
<b>EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES*</b>	<b>-</b>	<b>102,410</b>	<b>131,585</b>	<b>144,891</b>	<b>134,651</b>	<b>134,651</b>	<b>134,651</b>	<b>134,651</b>	<b>134,651</b>	<b>134,651</b>

\* No current source of funds for operating requirements at JCCBI

2012-13		2011-12	
Budget	Current Forecast	Budget	Actual
86,651	85,915	61,548	64,076
5,244	5,247	5,372	5,436
4,820	4,891	5,089	4,577
3,938	3,637	3,938	3,490
317	464	250	396
35	12	76	82
-	-	461	-
101,005	100,166	76,734	78,057
80,988	81,751	57,570	60,259
5,679	5,622	5,672	5,521
10,095	9,608	10,748	10,718
2,798	3,354	2,744	2,743
99,560	100,335	76,734	79,241
<b>1,445</b>	<b>(169)</b>	<b>-</b>	<b>(1,184)</b>
<b>(1,614)</b>	<b>(1,614)</b>		

2012-13		2011-12	
Budget	Current Forecast	Budget	Actual
86,651	85,915	61,548	64,076
5,244	5,247	5,372	5,436
4,820	4,891	5,089	4,577
3,938	3,637	3,938	3,490
317	464	250	396
35	12	76	82
-	-	461	-
101,005	100,166	76,734	78,057
80,988	81,751	57,570	60,259
5,679	5,622	5,672	5,521
10,095	9,608	10,748	10,718
2,798	3,354	2,744	2,743
99,560	100,335	76,734	79,241
<b>1,445</b>	<b>(169)</b>	<b>-</b>	<b>(1,184)</b>
<b>(1,614)</b>	<b>(1,614)</b>		

## 6.2 CAPITAL BUDGET

for the year ending March 31  
(in thousands of dollars)

	2013-14	2014-15	2015-16	2016-17	2017-18	2012-13			2011-12		
	Budget	Budget	Budget	Budget	Budget	Budget	Current Forecast	Budget	Actual	Variance	
<b>FUNDING</b>											
Appropriations:											
FBCL North Channel Bridge replacement	13,000	11,464	6,841	-	-	24,024	26,224	12,999	16,693	3,694	
JCCBI Jacques Cartier Bridge	6,275	3,424	3,156	5,120	6,674	1,244	224	327	1,190	863	
JCCBI Champlain Bridge	6,270	1,793	2,248	1,089	1,015	8,932	10,383	17,934	9,173	(8,761)	
JCCBI Île des Sœurs Bridge & Causeway	78,593	49,940	-	-	-	14,351	2,583	-	-	-	
JCCBI Honoré Mercier Bridge	21,164	156	197	483	35	34,693	56,826	49,362	13,349	(36,013)	
JCCBI Melocheville Tunnel	507	946	1,598	958	114	77	179	524	90	(434)	
JCCBI Bonaventure Expressway	279	970	464	385	325	16,163	981	15,512	-	(15,512)	
JCCBI Highway 15	12,275	1,889	1,256	408	350	11,037	1,200	1,381	1,483	102	
JCCBI Other assets	2,843	371	-	134	64	5,543	172	300	573	273	
<b>Total appropriations - per Main Estimates</b>	<b>141,206</b>	<b>70,953</b>	<b>15,760</b>	<b>8,577</b>	<b>8,577</b>	<b>116,064</b>	<b>98,772</b>	<b>98,339</b>	<b>42,551</b>	<b>(55,788)</b>	
Future capital requirements	12,342	22,161	10,322	18,234	11,325	-	(9,001)	-	-	-	
<b>Total appropriations required</b>	<b>153,548</b>	<b>93,114</b>	<b>26,082</b>	<b>26,811</b>	<b>19,902</b>	<b>116,064</b>	<b>89,771</b>	<b>98,339</b>	<b>42,551</b>	<b>(55,788)</b>	
Proceeds from SMRBC credit facility	4,500	-	-	-	-	-	457	-	-	-	
SMRBC Contribution agreement - Custom Plaza	6,600	16,000	19,000	5,280	-	7,564	631	2,500	1,582	(918)	
Lansdowne Customs Facility Rehabilitation	2,500	3,500	18,000	27,000	9,000	-	-	-	-	-	
Other revenue	3,071	2,808	1,727	2,257	1,759	5,497	583	2,967	395	(2,572)	
<b>TOTAL FUNDING</b>	<b>170,219</b>	<b>115,422</b>	<b>64,809</b>	<b>61,348</b>	<b>30,661</b>	<b>129,125</b>	<b>91,442</b>	<b>103,806</b>	<b>44,528</b>	<b>(59,278)</b>	
<b>EXPENDITURES</b>											
FBCL New North Channel Bridge and associated structures	11,838	370	7,755	3,173	-	24,024	17,223	12,999	16,693	(3,694)	
TIB CBSA facility	2,500	3,500	18,000	27,000	9,000	-	-	37	291	(254)	
SSM Customs Plaza Redevelopment project	6,600	16,000	19,000	5,280	-	7,564	631	2,500	1,582	918	
SSM Property acquisition	4,500	-	-	-	-	5,000	457	-	-	-	
JCCBI Jacques Cartier Bridge	6,275	9,951	12,564	20,181	17,999	1,244	224	327	1,190	(863)	
JCCBI Champlain Bridge	6,270	1,793	2,248	1,089	1,015	8,932	10,383	17,934	9,173	8,761	
JCCBI Île des Sœurs Bridge causeway	88,193	49,940	-	-	-	14,351	2,583	-	-	-	
JCCBI Honoré Mercier Bridge	21,164	156	197	483	35	34,693	56,826	49,362	13,349	36,013	
JCCBI Melocheville Tunnel	507	1,998	1,598	958	114	77	179	524	90	434	
JCCBI Bonaventure Expressway	279	970	464	385	325	16,163	981	15,512	-	15,512	
JCCBI Highway 15	12,275	16,995	1,256	408	350	11,037	1,200	1,381	1,483	(102)	
Other capital projects	3,218	3,179	1,727	2,391	1,823	3,089	755	645	677	(32)	
<b>TOTAL EXPENDITURES</b>	<b>163,619</b>	<b>104,852</b>	<b>64,809</b>	<b>61,348</b>	<b>30,661</b>	<b>126,174</b>	<b>91,442</b>	<b>101,221</b>	<b>44,528</b>	<b>56,693</b>	
<b>EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES</b>	<b>6,600</b>	<b>10,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,951</b>	<b>-</b>	<b>2,585</b>	<b>-</b>	<b>(2,585)</b>	



## **APPENDICES**

### **APPENDIX A – PERFORMANCE REVIEW OF THE 2012-13 TO 2016-17 CORPORATE PLAN**

### **APPENDIX B – PAA AND FBCL LOGIC MODEL DESCRIPTION**

### **APPENDIX C – LIST OF ABBREVIATIONS**

## APPENDIX A – PERFORMANCE REVIEW OF THE 2012-13 TO 2016-17 CORPORATE PLAN

<b>Activity 1- Manage and Operate</b>			
This activity consists of the daily direction and control of operations at all FBCL bridges and associated structures including cyclical maintenance and repairs which ensures the ongoing safety and security of these assets and revenue generation activities.			
<b>2012-13 Performance Measures</b>	<b>Performance Indicators</b>	<b>Timeline</b>	<b>Status</b>
1. Ensure bridge safety of full portfolio by continuing review of inspection reports and reporting on high-risk areas	Reporting of results of inspection program	2012-13	Met - All inspections completed on time. High risk areas reported in Montreal for Jacques Cartier, île des Sœurs and Champlain bridges as well as its corridor including the Bonaventure Expressway.
2. Keep stakeholders and bridge users well informed on the status of works and resulting traffic disruptions using social media and other communication tools.	Statistics on number of subscribers and visitors to sites	Annually	Met Individual Visitors – 289,823 Total Visitors - 456,030
3. Report on innovations or new technologies used in major projects	Types of results of innovation and/or technologies used	Annually	Met - FBCL engineers continue to work with the National Research Council and other associations on innovations and new technologies. FBCL engineers are Board members of the Canadian Society of Civil Engineering and the Canada Standards Association Technical Committee.  New NCB in Cornwall: <ul style="list-style-type: none"> <li>• adapting technologies of high performance concrete (HPC) and use of glass fibre reinforcing products (GFRP) in combination to extend the life-cycle of the bridge; and</li> <li>• use of satellite monitoring to detect differential movements in foundations and deck surfaces</li> </ul> Satellite monitoring also used on the Champlain Bridge in Montreal
4. Seek approval of long-term funding to address major risks for domestic bridges and associated structures in Montreal	Allocation of long-term funding for JCCBI	2013-14	Ongoing – Funding for temporary île des Sœurs causeway bridge announced in Budget 2013 and future funding requirements identified for all other structures and under review.
5. Ensure safety of existing NCB in Cornwall while new bridge being built	Completion of work plan based on annual inspection and daily operational review	2012-14	Met - FBCL and SIBC will continue to operate and maintain the existing bridge until traffic is re-routed to the new structure. Only safety and serviceability work is being undertaken.

**Activity 2 – Construct and Rehabilitate**

This activity includes all major rehabilitation and new construction projects as well as other major capital expenditures associated with ensuring the safety and security of FBCL bridges and associated structures.

<b>2012-13 Performance Measures</b>	<b>Performance Indicators</b>	<b>Timeline</b>	<b>Status</b>
1. Deliver funded projects on time and on budget	NCB - \$74.8M	2011-16	Met - On budget and on time with planned opening of new bridge in 2013.
	Honoré Mercier Bridge - \$135M	2012-13	Partially Met - Work continues on the federal portion of the bridge with completion scheduled for 2014-15. Additional funding is identified related to the delay due to labour jurisdiction issues between the Mohawk workers and the Province of Quebec and the MTQ decision to opt out of the joint re-decking project.
	Sault Ste. Marie Customs Plaza Rehabilitation – proposed \$51.4M	2012-15	Partially Met - The project was delayed due to an extended property acquisition process. Design works are nearly completed and the revised project completion is 2017-18.
2. Obtain project approval and required funding for construction and ongoing costs of CBSA facilities in Cornwall	CBSA decision on location	2012-13	Partially Met - FBCL is working with CBSA and TC on options, authorities and funding for moving interim facilities to align with opening of new NCB.
	Authorities granted and funding allocated	2013-14	
3. Review revenue generation opportunities to assist in funding long-term capital requirements	International Crossings – review with U.S. partners	Annual	Met - Toll increases proposed at Thousand Islands for January 2013 and at the Seaway International Bridge in 2017-18. All international bridges toll rates reviewed on a cyclical basis.
	Provision of financial analysis and supporting documents for government consideration of funding for Montreal	2012-13	Met
4. Develop business case for consideration by government for the rehabilitation of the Thousand Islands CBSA facility	Development of business case for government consideration	2012-13	Met - Beyond the Border Investment Plan announced by local Member of Parliament.

**Activity 3- Internal Services**

Internal services at FBCL are groups of related activities and resources that support the needs of programs and other corporate obligations. These services include governance, management support, and resource management services including finance, strategic planning and reporting, communications and human relations.

<b>2012-13 Performance Measures</b>	<b>Performance Indicators</b>	<b>Timeline</b>	<b>Status</b>
1. Meet all legislative and regulatory reporting requirements	Complete conversion to Public Sector Accounting Standards (PSAS)	2012- 13	Met
	Number of reports meeting requirement that are delivered in a timely manner	Annually	Met - Annual Report, <i>Access to Information Act Report</i> , <i>Privacy Act Report</i> , Official Languages Report, Multi-Cultural Report, Alternative Fuels Report, Various Crown Corporation Reports, Corporate Plan
	Report progress of Internal Audit Plan	2012-13	Met - Completed three internal audits dealing with FBCL's International Agreements and an FBCL corporate-wide audit of the budget control frameworks in place.
2. Complete the development of the ERM Framework	ERM approved by FBCL Board	2012-13	Met - ERM process and Corporate Risk Profile completed and approved.

## APPENDIX B - PAA AND FBCL LOGIC MODEL DESCRIPTION

This model depicts how FBCL and its subsidiaries deliver all of its activities and sub-activities whether appropriated or non-appropriated. FBCL's strategic outcome is related to its mandate and aligns with the strategic outcomes and priorities of the Government of Canada. The logic model enables FBCL to clearly focus on its three key priorities over the next five years, namely bridge safety, sustainable funding and corporate structure. All FBCL activities and the achievement of the strategic outcomes are delivered with its three wholly owned subsidiaries JCCBI, SIBC and SMRBC.

The FBCL PAA "Construction of a low-level bridge in Cornwall, Ontario as well as related infrastructure improvements" is approved by Treasury Board and has been integrated within the FBCL logic model. This logic model is intended to assist in improving the effectiveness and efficiency of operations through comprehensive risk management, optimization of performance in planning and delivery of works as well as ensuring stronger corporate reporting and performance measurement. Achieving these goals will enable FBCL to attain its mandate of providing the highest level of stewardship so that its bridges and associated structures are safe and efficient for users.

### Strategic Outcome

Safe and efficient transit on infrastructure maintained, operated and managed by FBCL.

To achieve this outcome FBCL has two activities and two sub-activities:

### Activity 1 – Construct, Rehabilitate, Manage and Operate

This activity consists of all major construction and rehabilitation projects as well as other major capital expenditures associated with ensuring the safety and security of FBCL bridges and associated structures. This activity also consists of the daily management and control of operations at all FBCL bridges and associated structures including cyclical maintenance and repairs which ensure the ongoing safety and security of these assets, revenue generation activities. This activity is similar across all locations however funding models differ significantly and add complexity.

#### Sub-Activity 1.1 – International Bridges

This sub-activity includes specific major capital projects on international bridges and associated structures including CBSA facilities as per the requirements. Activities include the exercise of tolling operations, inspections, cyclical maintenance and repairs, security, coordination with international stakeholders and communities and promotion of the crossing as well as the provision and management of CBSA customs facilities. The operations are managed through international agreement with the U.S. with joint representation on the respective Board of Directors. The funding model is that of self-sufficiency of operations and the net earnings of the operations are shared in accordance with the international agreements. The aim is that net earnings be sufficient to fund, at least partly over the long-term the construction and rehabilitation.

#### Sub-Activity 1.2 – Domestic Bridges

This sub-activity includes specific major capital projects for federal domestic bridges and associated structures in Montreal. This sub-activity includes the exercise of operations, inspections, cyclical maintenance and repairs, security, coordination with municipal and provincial stakeholders and management of contaminated sites of all federal domestic bridges and associated structures in Montreal. The operations of this bridge system are primarily funded through parliamentary appropriations with minor revenue generation activities such as revenue from advertising.

### Activity 2 – Internal Services

Internal services at FBCL are groups of related activities and resources that support the needs of programs and other corporate obligations. These services include governance, management support, and resource management services including finance, strategic planning and reporting, communications and human relations. This professional expertise is integrated in all program activities to appropriately manage risks, deliver projects as planned and complete liaison with external federal agencies. Communication with stakeholders of major announcements on new projects, scope and timing planned works as well as traffic advisories are delivered using social media including Internet, blog sites, Twitter accounts and other communication tools.



## APPENDIX C – LIST OF ABBREVIATIONS

<b>CBCA</b>	<b>CANADA BUSINESS CORPORATIONS ACT</b>
<b>CBSA</b>	<b>CANADA BORDER SERVICES AGENCY</b>
<b>CEO</b>	<b>PRESIDENT AND CHIEF EXECUTIVE OFFICER</b>
<b>FAA</b>	<b>FINANCIAL ADMINISTRATION ACT</b>
<b>FBCL</b>	<b>THE FEDERAL BRIDGE CORPORATION LIMITED</b>
<b>FCSAP</b>	<b>FEDERAL CONTAMINATED SITES ACTION PLAN</b>
<b>IBA</b>	<b>INTERNATIONAL BRIDGE ADMINISTRATION</b>
<b>IBTA</b>	<b>INTERNATIONAL BRIDGES AND TUNNELS ACT</b>
<b>JCCBI</b>	<b>THE JACQUES CARTIER AND CHAMPLAIN BRIDGES INCORPORATED</b>
<b>MDOT</b>	<b>MICHIGAN DEPARTMENT OF TRANSPORTATION</b>
<b>MTQ</b>	<b>QUEBEC MINISTRY OF TRANSPORTATION</b>
<b>OAG</b>	<b>OFFICE OF THE AUDITOR GENERAL</b>
<b>PAA</b>	<b>PROGRAM ACTIVITY ARCHITECTURE</b>
<b>PSA</b>	<b>PUBLIC SECTOR ACCOUNTING</b>
<b>PSAS</b>	<b>PUBLIC SECTOR ACCOUNTING STANDARDS</b>
<b>SIBC</b>	<b>THE SEAWAY INTERNATIONAL BRIDGE CORPORATION, LTD.</b>
<b>SLSA</b>	<b>THE ST. LAWRENCE SEAWAY AUTHORITY</b>
<b>SLSDC</b>	<b>ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION</b>
<b>SMRBC</b>	<b>ST. MARY’S RIVER BRIDGE COMPANY</b>
<b>SOR</b>	<b>STRATEGIC AND OPERATIONAL REVIEW</b>
<b>SSMBA</b>	<b>SAULT STE. MARIE BRIDGE AUTHORITY</b>
<b>TBS</b>	<b>TREASURY BOARD SECRETARIAT</b>
<b>TIBA</b>	<b>THOUSAND ISLANDS BRIDGE AUTHORITY</b>