



1999
Annual Report 2000



Les Ponts Jacques Cartier et Champlain Incorporée
The Jacques Cartier and Champlain Bridges Incorporated

Canada

SUMMARY

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MISSION



The mission of The Jacques Cartier and Champlain Bridges Incorporated, which is at the heart of the Montreal metropolitan region's economic activity, is to manage, operate and maintain the Jacques Cartier and Champlain bridges, the Bonaventure Expressway, the federally-owned section of the Honoré Mercier Bridge, the Melocheville Tunnel and the Champlain Bridge Ice Control Structure in order to provide the public with a safe and efficient transit.



EXPERIENCE





Les Ponts Jacques Cartier et Champlain Incorporée
The Jacques Cartier and Champlain Bridges Incorporated

May 29, 2000

The Honourable David Collenette, P.C., M.P.
Minister of Transport

Dear Minister:

In accordance with the provisions of Section 150 of the *Financial Administration Act*, I am pleased to submit the Annual Report of The Jacques Cartier and Champlain Bridges Incorporated for the fiscal year ended March 31, 2000.

It is with great pleasure that I am informing you that, in conformity with its objectives of maintaining the civil structures under its responsibility in good condition, the Corporation has successfully undertaken, during the period, major maintenance projects amounting to \$18 million while providing safe and efficient transit for some 123 million vehicles. The Corporation is preparing a major project to replace the deck on the Jacques Cartier Bridge. The work schedule on the bridge is still set for 2001 and 2002.

During 1999-2000, the management of the Champlain Bridge Ice Control Structure was transferred to the Corporation. In order to help relieve congestion on the bridges, the Corporation and a provincial government agency have undertaken a study on the feasibility of using the Champlain Bridge Ice Control Structure for public transportation between the South Shore and the Island of Montreal.

The Annual report also contains the financial statements of the Corporation for the fiscal year ending March 31, 2000, as audited by the Auditor General of Canada.

Yours truly,

Michel Fournier
President



PRESIDENT'S REPORT



Pursuant to its mandate to provide the public with safe and efficient transit on its civil structures, I am pleased to inform you that The Jacques Cartier and Champlain Bridges Incorporated's civil structures have been maintained in good condition this year. Approximately 123 million vehicles travelled over the Corporation's civil structures between Montreal and the South Shore. It is noteworthy to mention that the traffic density per lane for the Jacques Cartier and Champlain Bridges exceeds 8 million vehicles per lane per year. Such densities of traffic are amongst the greatest in North America.

During the year, the Corporation proceeded with several major structural maintenance projects totalling \$18 million. The work was executed in such a way as to minimize the impact on traffic. Due to major repaving work on the Champlain Bridge, the Corporation has put in place a system that limits the duration of traffic lane closures for contractors and has implemented a lane reversal traffic system, thus minimizing the impact on users.

Maintenance work was performed under a roadway, overpass and deck repair program; a bridge cleaning and painting program; a prestressed concrete beam repair program; a steel structure repair program; a pier repairs program; and a signalling system upgrade program.

On December 2, 1999, the Corporation was assigned management of the Champlain Bridge Ice Control Structure, a 2 km long bridge with a bicycle path. In view of the chronic problem in urban traffic congestion, the Corporation commissioned a study to assess the feasibility and impact of implementing a monorail public transportation system on the Champlain Bridge Ice Control

Structure, between Montreal and the South Shore.

In order to alleviate traffic congestion on its bridges, the Corporation proposed a project to extend westward Highway 30, south of Montreal, and build two new bridges to circumvent the Island of Montreal.

In conjunction with the City of Verdun, the Corporation also completed construction and modification of one of the Highway 15 exits. This project improved the traffic flow and safety in this portion of the Corporation's roadway network.

One of the Corporation's major projects involves the replacement of the Jacques Cartier Bridge deck using prefabricated concrete slabs according to the design-build method. The estimated direct and indirect costs for this major project is \$120 million. Construction is scheduled to begin in 2001 and be completed in 2002.

This report presents the Corporation's objectives and achievements for the year as well as forecasts for the next fiscal year.

A handwritten signature in blue ink, appearing to read 'M. Fournier', written in a cursive style.

Michel Fournier
President

CORPORATE ACTIVITIES



The requirement to provide a reliable, safe and efficient transit across its civil structures has increased significantly during the last few years. This increase is due to a variety of factors such as urban sprawl, a 24% increase in the number of vehicles in the South Shore between 1987 and 1998, and an increase in inter-provincial transportation and tourism.

The growth in traffic, combined with reduced capacity due to major restoration work performed regularly on various bridges and tunnels linking Montreal and the South Shore have a direct effect on the quality of service provided. Considering the high volume of traffic across the civil structures and traffic congestion, service offered to the public is more important than ever, and is a priority for the Corporation.

The economic, social and demographic conditions justify the Corporation's objective to continue the major maintenance program to ensure optimal maintenance and safety of its civil structures.

The civil structures under the responsibility of the Corporation are inspected annually by expert consultants. Major maintenance work is planned based on the results of these inspections. The use of roadway de-icing salt, coupled with harsh climatic conditions and the continuing increase in traffic, contribute to the deterioration and aging of the civil structures. Consequently, annual major maintenance work is required.

Of a total of \$ 20.6 million in maintenance expenses for the period 1999-2000, the major maintenance program accounts for \$18 million, broken down as follows:

REPAIRS TO PIERS	\$ 343,169
REPAIRS TO STEEL STRUCTURES	\$ 1,898,848
CLEANING AND PAINTING PROGRAM	\$ 5,928,357
REPAIRS TO PRESTRESSED CONCRETE BEAMS	\$ 1,311,601
BRIDGE DECKS	\$ 3,152,242
ROADWAYS AND OVERPASSES	\$ 1,272,736
SIGNALLING	\$ 631,712
OTHERS	\$ 3,194,788

Police services on the Bonaventure Expressway, Jacques Cartier and Champlain Bridges are provided on a contract basis by the Sûreté du Québec.

Since 1982, a reserved bus lane has been in operation on the Champlain Bridge during rush hours. A provincial government agency, responsible for promoting public transit, operates the reserved bus lane. Based on statistics provided by this agency, over 30,000 commuters use this lane every weekday.



Perspectives

The civil structures managed by the Corporation, in particular, the Jacques Cartier, Champlain and Honoré Mercier Bridges, play an important role in international, national, inter-provincial and regional economic development. Accordingly, the Corporation plans to continue the Major Maintenance Program and initiate the Jacques Cartier Bridge deck replacement project.

In the coming fiscal year, the Corporation, along with The Federal Bridge Corporation Limited, will replace the camera surveillance system on the Jacques Cartier and Champlain bridges, and on the Bonaventure Expressway. Fibreoptic technology will be used, and the new equipment and systems will thus be more powerful, efficient and reliable. They will also cover a larger area. The Corporation is currently negotiating with the Ministère des transports du Québec with a view to linking the Corporation's camera surveillance system with that of the provincial government and thus improve services for motorists in the Montreal metropolitan region.

Following the transfer of the federally-owned portion of the Honoré Mercier Bridge and the Melocheville Tunnel from the St. Lawrence Seaway Authority (SLSA) to the Corporation in 1998, detailed inspections were conducted to assess the condition of these civil structures. The results of these inspections indicate that major work is required to preserve the useful lifespan of these civil structures.

Action plans have thus been developed and maintenance programs will be carried out on the Honoré Mercier Bridge and the Melocheville Tunnel. The Corporation will undertake, among other things, a major cleaning and painting program on the Honoré Mercier Bridge.

With respect to electronic communication, the Corporation is currently developing a Web site (<http://www.jccbi.ca>) to provide information on the Corporation and its civil structures. Indeed, the Corporation received a fair number of information requests from the public, and this means of communication will enable us to respond appropriately and to highlight the contributions of the Government of Canada to the economic development of major urban centres.

The Corporation will pursue its user service initiatives and continue to improve its structural maintenance and assessment programs by making use of all its resources.

The Corporation's objectives are in keeping with economic, social and demographic conditions. As such, the Corporation is proud to contribute to the development of the Montreal, Quebec and eastern Canada regions.



CHAMPLAIN

CHAMPLAIN



REPORT OF OPERATIONS

The Year In Review



Report on the 1999-2000 General Objectives

During the 1999-2000 fiscal year, the Corporation made progress towards reaching its objectives:

1) *To continue the implementation of ongoing maintenance programs to maintain the bridges, expressway and tunnel to acceptable and safe standards.*

The Corporation has, during 1999-2000, implemented major ongoing maintenance programs to achieve this objective. Work valued at \$18 million was undertaken on these civil structures during the period.

The Jacques Cartier Bridge had contracts for painting and repairing the steel structure as well as various engineering projects carried out as a precursor to the deck replacement project.

The major projects for the Champlain Bridge and Bonaventure Expressway included painting a section of the main span, restoring the roadway pavement and overpasses, repairing the prestressed concrete beams and the deck and constructing a new exit of Highway 15 to Wellington Street.

The principal project at the Honoré Mercier Bridge consisted of cleaning and painting certain spans of the bridge.

The Corporation also submitted, in fiscal 1999-2000, a five-year maintenance program to the Treasury Board covering the period 2000-2001 to 2004-2005 to continue its rehabilitation of bridges, expressway and tunnel.

Excluding the Jacques Cartier Bridge deck replacement project, the cost of the five-year program amounts to \$128 million.

2) *To replace the Jacques Cartier Bridge deck.*

Construction planning and technical design for the deck replacement project continued in the 1999-2000 fiscal year.

In January 2000, the Corporation called tenders to pre-qualify contractors to carry out the deck replacement work.

In March 2000, following assessment of the pre-qualification submissions, the Corporation invited qualified contractors to submit a tender for the design-build project to replace the deck. These tenders are to be submitted by July 14, 2000.

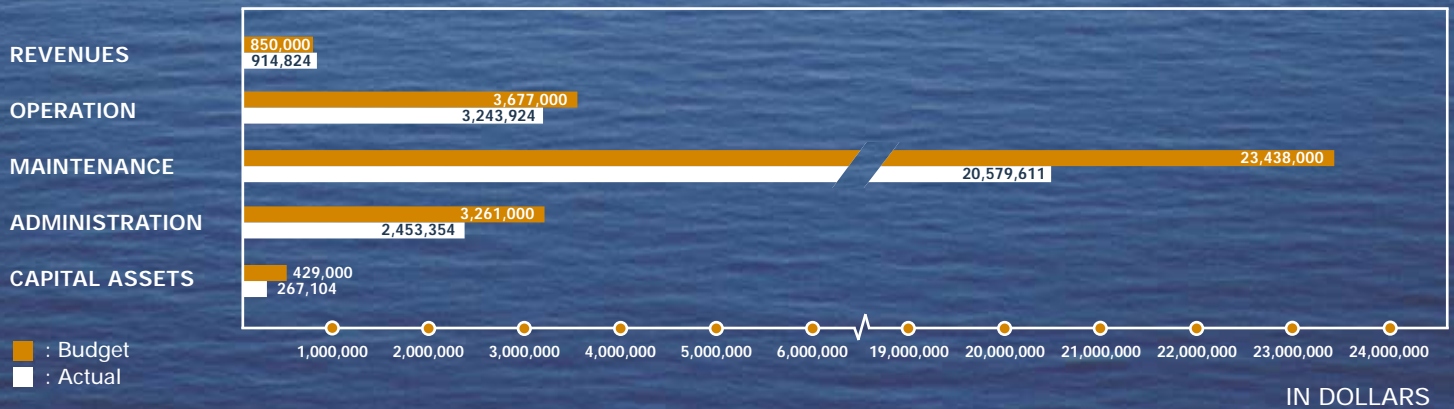
The awarding of the contract is set for the Fall 2000. Work on the bridge is planned to begin in April 2001 and be completed in November 2002. Work will be interrupted from November 2001 to April 2002.

3) *Continue improving the administrative structure of the Corporation.*

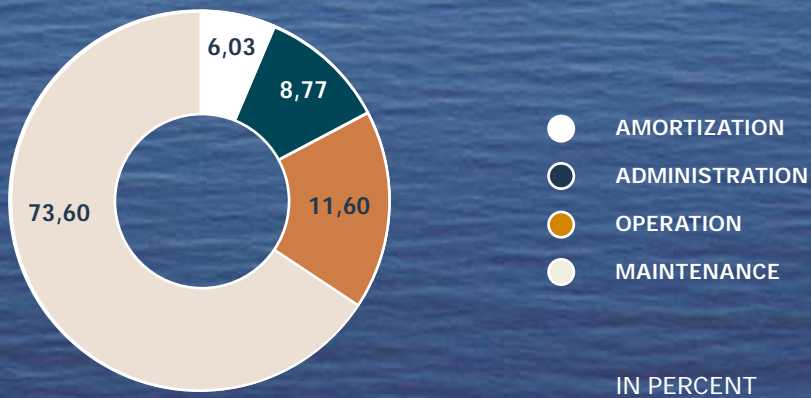
The Corporation continued to make use of specialized services provided by the private sector in the areas of management, engineering, legal services, public relations and construction.

The Corporation acquired a new archival management system to better fulfill its corporate needs, and customer and supplier requirements. Once installed, this computerized system will handle all aspects of document management, from creation or receipt to archiving or disposal.

BUDGET - ACTUAL COMPARISON 1999 – 2000



DISTRIBUTION OF EXPENSES 1999 – 2000



1999-2000 ALLOCATION OF REVENUES AND EXPENSES BY CIVIL STRUCTURE

	Jacques Cartier Bridge	Champlain Bridge and Bonaventure Expressway	Honoré Mercier Bridge	Melocheville Tunnel	Champlain Bridge Ice Control Structure	Total
REVENUES	\$ 399,496	\$ 487,185	\$ 25,538	\$ 2,605	\$ -	\$ 914,824
EXPENSES						
Operation	\$ 1,081,200	\$ 2,162,724	\$ -	\$ -	\$ -	\$ 3,243,924
Maintenance	7,499,796	11,674,286	1,133,891	261,722	9,916	20,579,611
Administration	928,977	1,375,648	119,985	27,695	1,049	2,453,354
Amortization	31,024	1,032,328	472,079	-	150,000	1,685,431
Total expenses	\$ 9,540,997	\$ 16,244,986	\$ 1,725,955	\$ 289,417	\$ 160,965	\$ 27,962,320



Service to users

The Corporation, in conjunction with The Federal Bridge Corporation Limited, installed electronic variable message signs on the Champlain and Jacques Cartier bridges and the Bonaventure Expressway to improve service to users and increase safety. The signs used by the Corporation comprise digital displays providing updated information on road and traffic conditions. Motorists can react to incidents or roadwork taking place on the Corporation's civil structures, or those of neighbouring municipalities or the Quebec provincial road transportation network.

The signalling program implemented by The Federal Bridge Corporation Limited will be self-financing through income generated by thirty sites for advertising signs on the Corporation's territory that will be rented to a private-sector company selected through a call for tenders.

The Corporation has entered into a new agreement with the Sûreté du Québec to provide public police and security services on the Jacques Cartier and Champlain bridges and the Bonaventure Expressway. With the cooperation of the Sûreté du Québec, new avenues were determined, studied and suggested to improve monitoring of the road network.

The Corporation ordered a study for a comprehensive analysis of the current problem pertaining to the transportation of people and goods for the Greater Montreal region in the short-, medium- and long-term, so as to find solutions to optimize the use of the infrastructures and increase the level of service for users in the coming years. The goal was to make the public and decision-makers aware of traffic growth on the bridges, to foster discussions on the matter and to provide

positive influence to the Ministère des transports du Québec's transportation plan.

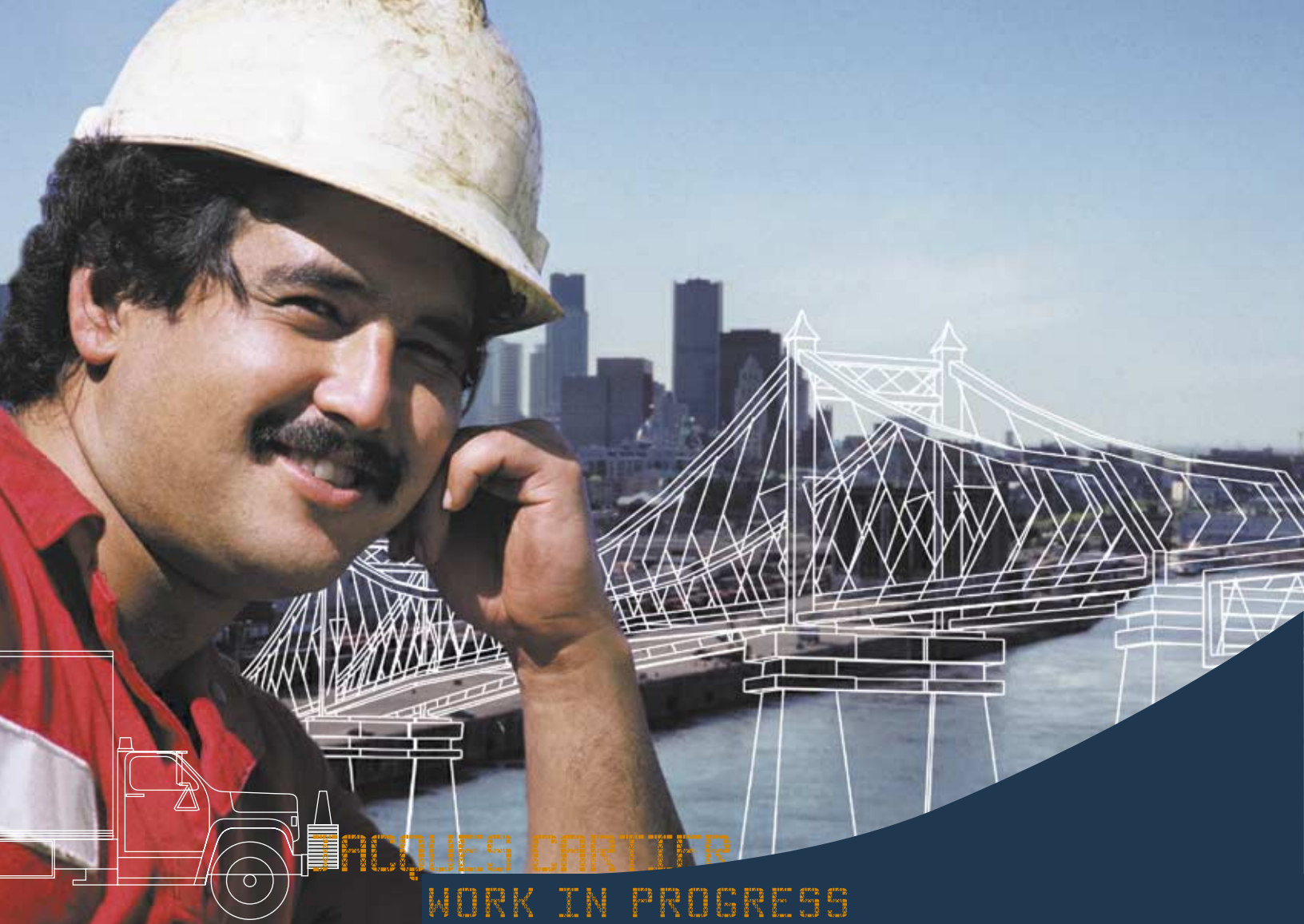
The Corporation studied the feasibility of a monorail linking the South Shore to downtown Montreal. Such a project would service public transit users from the Chevrier parking lot, near Highway 10 and Highway 30, to downtown Montreal.

For the Corporation, safety is a priority, so it has developed an action plan specifically for the Melocheville Tunnel and is currently installing an emergency generator to ensure operation of the ventilation, lighting and water pumping systems in the event of a power outage.

In response to environmental issues affecting its day to day operations, the Corporation has taken the necessary measures to address and develop solutions.

The Corporation also manages some 7 km of bicycle paths. Accordingly, work to replace the Jacques Cartier Bridge deck includes replacing the sidewalk on the upstream side of the bridge with a bicycle path.

Administrative restructuring and expansion of the Corporation resulting from the transfer of new civil structures prompted the decision to relocate the Corporation's offices. Thus, since August 1, 1999, The Jacques Cartier and Champlain Bridges Incorporated has occupied new premises that are better suited to its current and future needs.



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Financial review

Revenues

Total revenues of \$914,824 are \$64,824 or 7.6% more than the \$850,000 shown in the budget. This net increase is mostly due to the granting of new leases and licences.

Expenses

The Corporation had originally budgeted total expenses amounting to \$31,464,000 for the 1999-2000 fiscal year.

As at March 31, 2000, the Corporation registered total expenses of \$27,962,320 for 1999-2000 which is \$3,501,680 or 11% less than the amount budgeted for the period. This significant difference is mostly due to positives results of the tenders, rescheduling of major maintenance projects and a new agreement with the Sûreté du Québec.

Capital Expenditures

Capital spending for the period was \$267,104 compared to the \$429,000 budgeted for the same period. This is mostly due to the revision or deferral of certain projects to a subsequent period.

Major acquisitions during this period include vehicles, a generator that will be installed at Melocheville Tunnel, and computer hardware.

On December 2, 1999, management of the Champlain Bridge Ice Control Structure was transferred to the Corporation. The estimated net book value of this asset, on the date of transfer, was \$2,400,000.

Parliamentary Appropriation

The Approved Parliamentary Appropriation for the Corporation for the year 1999-2000 amounted to \$28,079,000.

Total actual financial requirements during 1999-2000 to cover the deficit of the expenses over the revenues and to finance capital expenditures amounted to \$25,435,033 for a difference of \$2,643,967 or 9% of the approved total appropriation.

Glen P. Carlin, Eng.
General Manager

SUMMARY TABLE

Five-Year Review

DESCRIPTION	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000
FINANCIAL DATA					
IN THOUSAND OF DOLLARS					
Revenues					
Leases and licences	\$ 472	\$ 478	\$ 460	\$ 489	\$ 557
Interest	201	125	101	160	150
Other	176	207	177	173	207
	849	810	738	822	914
Expenses					
Maintenance	24,126	22,901	24,627	17,180	20,580
Operation	3,403	3,470	3,519	3,580	3,244
Administration	1,776	1,987	2,303	2,367	2,453
Amortization	1,167	1,189	1,137	1,324	1,685
	30,472	29,547	31,586	24,451	27,962
GST and QST reimbursements for 1993 to 1997	-	-	4,210	-	-
Net loss before Government funding and taxes	29,623	28,737	26,638	23,629	27,048
Parliamentary appropriation for operating expenditures	28,445	27,563	25,477	22,265	25,168
Amortization of deferred capital funding	138	159	107	73	88
Net loss before taxes	1,040	1,015	1,054	1,291	1,792
Large Corporations Tax	(5)	5	4	3	-
Net loss	\$ 1,035	\$ 1,020	\$ 1,058	\$ 1,294	\$ 1,792
PARLIAMENTARY APPROPRIATION					
Operations	\$ 28,445	\$ 27,563	\$ 25,477	\$ 22,265	\$ 25,168
Fixed assets	59	222	16	119	267
TOTAL	\$ 28,504	\$ 27,785	\$ 25,493	\$ 22,384	\$ 25,435

FINANCIAL STATEMENTS



Management's Report

The accompanying financial statements of The Jacques Cartier and Champlain Bridges Incorporated and all information in this Annual Report are the responsibility of the Corporation and were approved by its Board of Directors.

The financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include some estimates which are based on management's best judgement. Information contained elsewhere in the Annual Report is consistent, where applicable, with that contained in the financial statements.

To meet management's responsibility and to assure the integrity and reliability on financial reporting, the Corporation maintains a system of internal control, policies and procedures to provide reasonable assurance that assets are safeguarded, and that transactions and events are properly recorded.

The system of control is supplemented by an internal audit which consists of periodic reviews of different aspects of the Corporation's operations. The external auditor has full and free access to the directors, who oversee management's responsibility for maintaining an adequate control system and the quality of financial reporting.

The Auditor General of Canada is responsible for auditing the financial statements and for issuing his report thereon.

Glen P. Carlin, Eng.
General Manager

May 1st, 2000



Auditor's Report

To the Minister of Transport

I have audited the balance sheet of The Jacques Cartier and Champlain Bridges Incorporated as at March 31, 2000 and the statements of operations and deficit, contributed capital and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act*, the *Canada Marine Act* and regulations and the by-laws of the Corporation.

Richard Flageole, FCA
*Assistant Auditor General
for the Auditor General of Canada*

Ottawa, Canada
May 1st, 2000



Balance Sheet

as at March 31

	2000	1999
ASSETS		
CURRENT ASSETS		
Cash and term deposits	\$ 2,998,528	\$ 3,035,127
Accounts receivable	870,969	238,485
Due from Canada	3,990,252	3,660,005
	7,859,749	6,933 617
CAPITAL ASSETS (Notes 3 and 4)	12,816,284	11,834,611
	\$ 20,676,033	\$ 18,768,228
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 4,357,374	\$ 3,487,738
Due to parent company	96,523	5,462
Deferred revenues	214,336	248,901
	4,668,233	3,742,101
PROVISION FOR EMPLOYEE TERMINATION BENEFITS	613,732	419,596
DEFERRED CAPITAL FUNDING (Note 5)	453,802	274,324
	5,735,767	4,436,021
COMMITMENTS AND CONTINGENCIES (Notes 8 and 9)		
SHAREHOLDER'S EQUITY		
Capital stock		
Authorized – 50 shares without par value		
Issued and fully paid – 1 share	100	100
Contributed capital	38,509,556	36,109,556
Deficit	(23,569,390)	(21,777,449)
	14,940,266	14,332,207
	\$ 20,676,033	\$ 18,768,228

The notes are an integral part of the financial statements.

Approved by the Board :

Michel Fournier, Director

Yvon Bourget, Director



Statement of Operations and Deficit for the year ended March 31

	2000	1999
REVENUES		
Leases and Licenses	\$ 557,188	\$ 488,903
Interest	150,417	159,842
Other	207,219	173,064
	914,824	821,809
EXPENSES		
Maintenance	20,579,611	17,179,450
Operation	3,243,924	3,580,442
Administration	2,453,354	2,367,108
Amortization	1,685,431	1,324,207
	27,962,320	24,451,207
NET LOSS BEFORE GOVERNMENT FUNDING AND TAXES	27,047,496	23,629,398
PARLIAMENTARY APPROPRIATION FOR OPERATING EXPENDITURES	25,167,929	22,265,313
AMORTIZATION OF DEFERRED CAPITAL FUNDING (Note 5)	87,626	73,385
NET LOSS BEFORE TAXES	1,791,941	1,290,700
LARGE CORPORATIONS TAX (Note 6)	–	3,349
NET LOSS	\$ 1,791,941	\$ 1,294,049
DEFICIT AT BEGINNING OF THE YEAR	21,777,449	20,483,400
DEFICIT AT THE END OF THE YEAR	\$ 23,569,390	\$ 21,777,449

The notes are an integral part of the financial statements.



Statement of Contributed Capital *for the year ended March 31*

	2000	1999
BALANCE AT BEGINNING OF THE YEAR	\$ 36,109,556	\$ 31,672,261
TRANSFER OF THE HONORÉ MERCIER BRIDGE AND THE MELOCHEVILLE TUNNEL	–	4,437,295
TRANSFER OF THE CHAMPLAIN BRIDGE ESTACADE (Note 3)	2,400,000	–
BALANCE AT END OF THE YEAR	\$ 38,509,556	\$ 36,109,556

The notes are an integral part of the financial statements.



Statement of Cash Flows for the year ended March 31

	2000	1999
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
Net loss	\$ (1,791,941)	\$ (1,294,049)
Non-cash items		
Amortization of capital assets	1,685,431	1,324,207
Amortization of deferred capital funding	(87,626)	(73,385)
Increase in provision for employee termination benefits	194,136	43,227
Net changes in working capital other than cash and term deposits	(36,599)	36,152
TOTAL	(36,599)	36,152
CASH FLOWS RELATED TO INVESTING ACTIVITIES		
Acquisition of capital assets	(295,755)	(120,548)
Proceeds from disposal of capital assets	28,651	1,380
TOTAL	(267,104)	(119,168)
CASH FLOWS RELATED TO FINANCING ACTIVITIES		
Parliamentary appropriation for funding the acquisition of capital assets	267,104	119,168
TOTAL	267,104	119,168
INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(36,599)	36,152
Cash and term deposits at beginning of the year	3,035,127	2,998,975
Cash and term deposits at end of the year	\$ 2,998,528	\$ 3,035,127

The notes are an integral part of the financial statements.



Notes to Financial Statements as at March 31, 2000

1. AUTHORITY AND ACTIVITIES

The Jacques Cartier and Champlain Bridges Incorporated was established under the *Canada Business Corporations Act* on November 3, 1978 and is a wholly-owned subsidiary of The Federal Bridge Corporation Limited, which is a Crown corporation named in Part 1 of Schedule III to the *Financial Administration Act*.

Effective December 1, 1978, the Corporation assumed the responsibility for the management, maintenance and control of the Jacques Cartier and Champlain Bridges and a section of the Bonaventure Expressway. Effective October 1, 1998, the Corporation also assumed the responsibility for the federally owned portion of the Honoré Mercier Bridge and for the Melocheville Tunnel.

Administration of the 2 km long Champlain Bridge Estacade (ice control structure) was transferred to the Corporation from the Minister of Transport on December 2, 1999.

The Corporation is dependent on the Government of Canada for its financing.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Parliamentary Appropriation

The amount of the parliamentary appropriation used to cover the excess of expenditures over the revenues for the operations is reflected in the statement of Operations and Deficit. In this regard, operating expenses do not include amortization, any change in the provision for employee termination benefits and any gain or loss on disposal of capital assets.

The portion of the parliamentary appropriation used to finance the acquisition of depreciable capital assets is recorded as deferred capital funding on the balance sheet and amortized on the same basis as the related capital assets. The portion used to finance non depreciable capital assets is recorded as contributed capital.

Any portion of the parliamentary appropriation that the Corporation is entitled to but which is not received by year end is shown as an amount due from Canada.

b) Capital assets

Capital assets acquired from the National Harbors Board on December 1, 1978 and those transferred from The St. Lawrence Seaway Authority on October 1, 1998, were recorded at their book values with an offset to contributed capital. Capital asset transferred from the Minister of Transport, on December 2, 1999 was recorded at the original cost less estimated amortization at the time of transfer, with an offset to contributed capital. Subsequent additions are recorded at cost.

Capital assets are amortized over their estimated economic lives using the straight-line method, at the following rates:

HONORÉ MERCIER BRIDGE	5.1 %
JACQUES CARTIER BRIDGE	4.8 %
CHAMPLAIN BRIDGE	2.5 %
CHAMPLAIN BRIDGE ESTACADE	2.5 %
VEHICLES AND EQUIPEMENT	10.0 % AND 20.0 %



Notes to Financial Statements as at March 31, 2000

Amounts included in uncompleted capital projects are transferred to the appropriate capital asset classification upon completion and are then amortized according to the Corporation's policy.

The cost of the portion of the Bonaventure Expressway for which the Corporation is responsible and the initial cost of the Jacques Cartier Bridge are fully amortized.

c) Deferred revenues

Revenues of leases and licenses collected in advance are recorded as deferred revenues.

d) Employee termination benefits

On termination of employment, employees are entitled to certain benefits provided under their collective agreement and their conditions of employment. The cost of these benefits is expensed in the year in which they are earned.

e) Pension plan

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. Until March 31, 2000, the employees and the Corporation contribute equally to the cost of the Plan. This contribution represents the total pension obligation of the Corporation. Effective April 1st, 2000, the Corporation's contributions will increase to an amount reflecting the full cost of the employer's contributions. This amount, expressed as a percentage of employee's contributions, will fluctuate from year to year depending on the experience of the Plan. Contributions in respect of current services and of admissible past services are expensed when paid. The terms of payment of past service contributions are set by the applicable purchase conditions, generally over the number of years of service remaining prior to retirement.

f) Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Employee termination benefits, accrued liabilities for major maintenance repairs and estimates pertaining to claims received from suppliers are the most significant items where estimates are used. Actual results could differ from those estimates.

3. TRANSFER OF THE CHAMPLAIN BRIDGE ESTACADE

On December 2, 1999, the Champlain Bridge Estacade (ice control structure) was transferred graciously from the Minister of Transport to the Corporation. As of that date, the estimated net book value of this asset was:

COST	\$ 18,000,000
ACCUMULATED AMORTIZATION AS ESTIMATED	15,600,000
NET BOOK VALUE AS ESTIMATED	\$ 2,400,000



Notes to Financial Statements as at March 31, 2000

4. CAPITAL ASSETS

	2000		1999	
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
LAND	\$ 3,678,846	\$ -	\$ 3,678,846	\$ 3,678,846
BRIDGES AND ROADS	104,259,056	95,575,420	8,683,636	7,884,922
VEHICLES AND EQUIPMENT	1,471,430	1,118,417	353,013	270,843
CAPITAL ASSETS UNCOMPLETED	100,789	-	100,789	-
	\$ 109,510,121	\$ 96,693,837	\$ 12,816,284	\$ 11,834,611

5. DEFERRED CAPITAL FUNDING

	2000	1999
BALANCE, BEGINNING OF YEAR	\$ 274,324	\$ 228,541
PARLIAMENTARY APPROPRIATION FOR FUNDING THE ACQUISITION OF DEPRECIABLE CAPITAL ASSETS	267,104	119,168
AMORTIZATION	(87,626)	(73,385)
BALANCE, END OF YEAR	\$ 453,802	\$ 274,324

6. INCOME TAXES

Since October 1st, 1998, the Corporation is a wholly-owned subsidiary of a federal Crown corporation not subject to the *Federal Income Tax Act* and to the *Provincial Income Tax Act*. Therefore, the Corporation is no more subject to these laws. Consequently, as at March 31, 2000, no provision for income taxes has been recorded.

7. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Canada created departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business. These operations are measured at the exchange value, which is the amount of the consideration established and agreed upon by the related parties.

In addition to those transactions disclosed elsewhere in these financial statements, the Corporation provided administrative and engineering services for an amount of \$ 45,686 (Nil in 1999) to the parent corporation (The Federal Bridge Corporation Limited).



Notes to Financial Statements as at March 31, 2000

The Corporation paid an amount of \$ 219,422 (\$ 13,683 in 1999) to the parent corporation for administrative and engineering services. In 1999, these services were received from the St-Lawrence Seaway Management Corporation for an amount of \$ 152,192.

As at March 31, 2000, the Corporation held a security deposit of \$ 100,000 for the parent corporation.

8. COMMITMENTS

The minimum amount which will be paid in the future years under an agreement for police services ending on June 30, 2002, is \$ 2.9 million on an annual basis.

The Corporation has commitments principally for supply contracts, professional services and rental agreements for an amount of \$ 4,754,261 until 2007. Minimum payments over the next years are \$ 2,350,402 in 2001, \$ 929,718 in 2002, \$ 753,917 in 2003, \$ 216,067 in 2004, \$ 216,067 in 2005 and \$ 288,090 for subsequent exercises.

9. CONTINGENCIES

Decontamination could be required for some of the Corporation's properties. To date, the Corporation has not been in a position to determine all the related costs, not having assessed all its properties contamination status. The costs related to the environmental evaluations and to the decontamination are accounted for in the year in which they are incurred by the Corporation.

10. MAJOR REHABILITATION WORKS

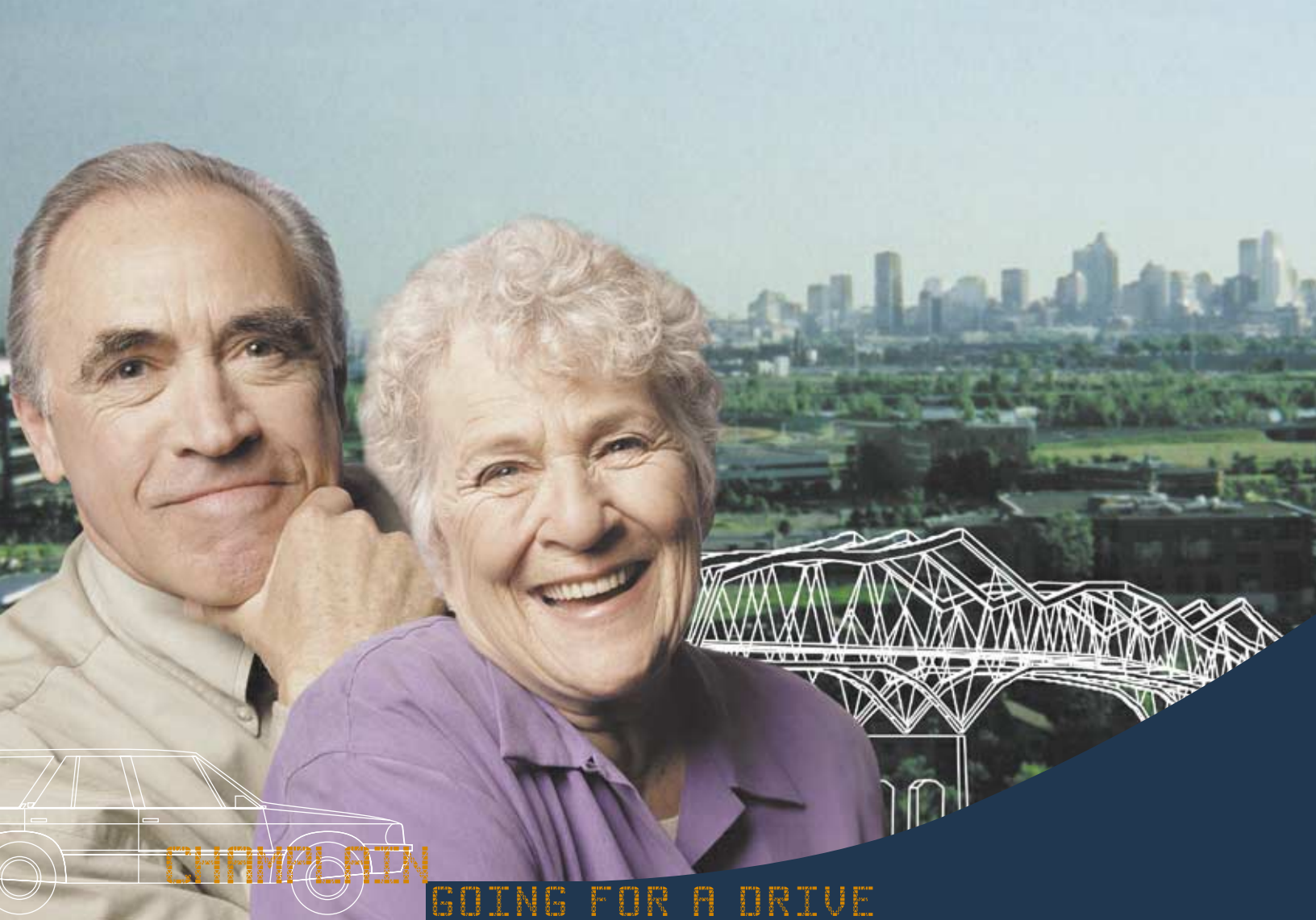
In its endeavor to fulfill its mission, the Corporation must undertake major rehabilitation works on the roadway deck of the Jacques Cartier Bridge. The Corporation obtained the approval of the Treasury Board to proceed to call for tenders with a three year design-construction deck replacement project for the Jacques Cartier Bridge. Construction on the bridge is planned to start in April 2001 and to be completed in November 2002. The total cost of the project, including direct and indirect costs, is estimated at 120 million dollars.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The transactions related to cash and term deposits, accounts receivable, due from Canada, accounts payable and due to parent company are incurred in the normal course of business. The carrying amounts of each of these accounts approximate their fair values because of their short term maturity. There is no concentration of accounts receivable, consequently, the credit risk is low.

12. COMPARATIVE FIGURES

Certain of the 1999 comparative figures have been reclassified to conform to the current year's presentation.



CHAMPION

GOING FOR A DRIVE



HISTORY

Mandate and History



Mandate

The mandate of *The Jacques Cartier and Champlain Bridges Incorporated* is to operate and maintain the Jacques Cartier and Champlain Bridges and the federally-owned portion of Honoré Mercier Bridge, the Bonaventure Expressway, the Melocheville Tunnel and the Champlain Bridge Ice Control Structure by undertaking regular and major maintenance work and by providing the public with safe and efficient transit across the civil structures.

History

Effective December 1, 1978, the Corporation assumed the responsibility for the operation, maintenance and administration of the Jacques Cartier Bridge, the Champlain Bridge and a portion of the Bonaventure Expressway. This responsibility had previously been assumed by the National Harbours Board.

Effective October 1, 1998, the Corporation also assumed responsibility for the management, operation and maintenance of the federally-owned portion of the Honoré Mercier Bridge and the Melocheville tunnel which had been previously assumed by The St. Lawrence Seaway Authority (now dissolved).

On December 2, 1999, management of the Champlain Bridge Ice Control Structure was transferred from the Minister of Transport to the Corporation.

The Jacques Cartier Bridge

Opened to traffic on May 14, 1930, and officially inaugurated on May 24, 1930, the Harbour Bridge was renamed the Jacques Cartier Bridge in 1934 in honour of the explorer who is considered to have discovered Canada in 1534.

The bridge, of a steel construction with a reinforced concrete deck, has five lanes of traffic. From Longueuil to Montreal, it measures approximately 3 kilometres. Via a lane signalling system, traffic in the middle lane can be reversed in order to better accommodate peak traffic hours.

The main span, of a cantilever type, is situated approximately 66 metres above the surface of the St. Lawrence River thus allowing for the passage of vessels to and from the Port of Montreal. The section located over the St. Lawrence Seaway is approximately 49 metres above the surface of the canal.

Traffic on the Jacques Cartier Bridge is currently estimated at 43 million vehicle transits per year or 51 million passenger trips.

The Champlain Bridge and Bonaventure Expressway

The Champlain Bridge, opened to traffic on June 29, 1962, was named in honour of the explorer Samuel de Champlain, founder of Quebec City in 1608. The Bonaventure Expressway, which is part of the north approach to the bridge, was opened to traffic on April 21, 1967.

The Champlain Bridge, which links the municipalities of Brossard and Verdun, is about 3 kilometres long. It carries six lanes of traffic separated by a concrete median barrier. The main span is also cantilevered. It was built of steel and supports an orthotropic steel deck with a bituminous concrete pavement. It provides approximately 49 metres of clearance above the surface of the St. Lawrence Seaway. The remainder of the bridge consists of prestressed concrete beams comprising a prestressed concrete deck overlaid with bituminous concrete.



Traffic on the Champlain Bridge is estimated at approximately 49 million vehicles per year or 59 million passenger trips. In addition, there are some 8 million yearly commuters that employ the reserved bus lane.

The Honoré Mercier Bridge

Inaugurated on July 11, 1934, the Honoré Mercier Bridge was named after The Right Honourable Honoré Mercier, Premier of the Province of Quebec from 1887 to 1891.

The bridge links the municipality of LaSalle, on the Island of Montreal, and the Mohawk Territory of Kahnawake on the South Shore.

The operation, maintenance and administration of the bridge were initially entirely under the jurisdiction of the Province of Quebec. Between 1958 and 1959, The St. Lawrence Seaway Authority had the south section of the bridge raised in order to allow the passage of ships through the Seaway during the St. Lawrence Seaway construction project. Hence the raised section of the bridge comes under federal jurisdiction. In 1963, the bridge was twinned to accommodate an increase in traffic.

The section of bridge under the Corporation's responsibility measures about 1.4 kilometres. The spans are constructed of steel and support a conventional reinforced concrete deck overlaid with a bituminous concrete pavement.

Traffic on the Honoré Mercier Bridge is estimated at 27 million vehicles per year or 33 million passenger trips.

The Melocheville Tunnel

The Melocheville Tunnel was built in 1956 during the construction of the Beauharnois Canal.

The tunnel which runs under the Beauharnois Canal in Melocheville, Quebec, is approximately 230 metres long and provides for one lane of traffic in each direction to pass.

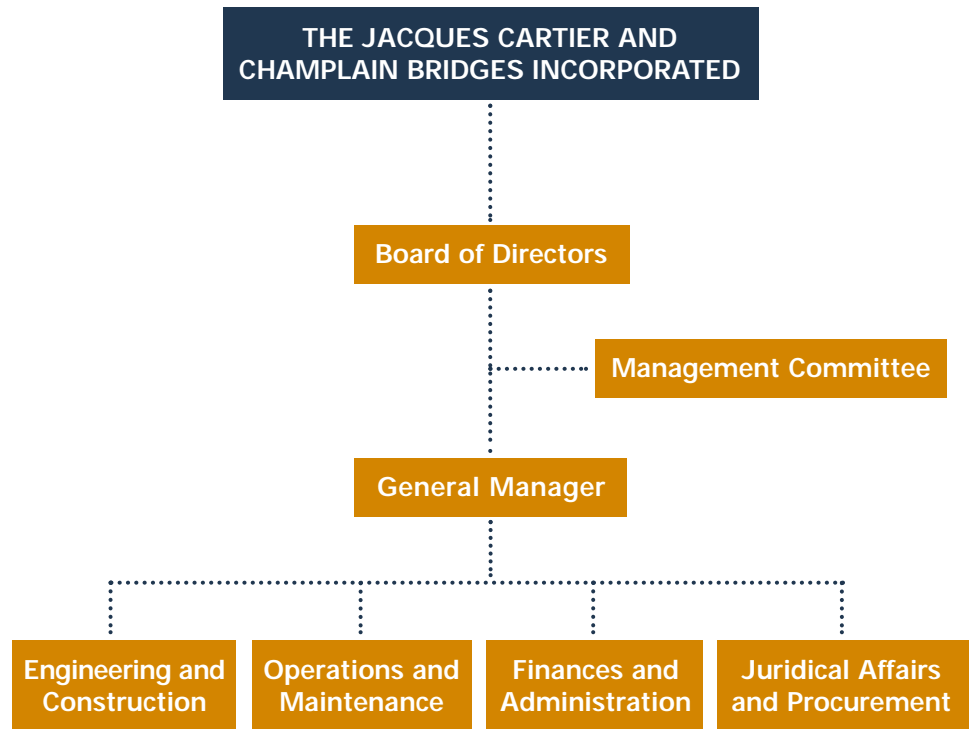
Traffic in the Melocheville Tunnel is estimated at 4 million vehicles a year or 5 million passenger trips.

Champlain Bridge Ice Control Structure

The Champlain bridge Ice Control Structure was built in 1965 as an ice regulator. This civil structure runs parallel to the Champlain Bridge about 305 metres upstream. It spans 2,043 meters in length, west to east, from Nuns' Island to the northern dyke of the St. Lawrence Seaway Canal.

This civil structure is currently being used as a bicycle path.

ORGANIZATION CHART



Human Resources

As at March 31, 2000, the Corporation had 42 permanent positions and one seasonal position, for a total of 43 positions.

BOARD OF DIRECTORS AND OFFICERS



LEGISLATIVE AUTHORITY

The Jacques Cartier and Champlain Bridges Incorporated was established under the *Canada Business Corporations Act* on November 3, 1978, and is a wholly-owned subsidiary of The Federal Bridge Corporation Limited which is a Crown Corporation named in Part 1 of Schedule III of the *Financial Administration Act*.

BOARD OF DIRECTORS

Michel Fournier, *President*
Yvon Bourget, *Vice-President*
Clément Côté, *Administrator*
Françoise Van Winden, *Administrator*
Norman B. Willans, *Administrator*

MANAGEMENT COMMITTEE

Yvon Bourget, *Chairperson*
Clément Côté
Françoise Van Winden

AUDIT COMMITTEE

Yvon Bourget, *Chairperson*
Clément Côté
Françoise Van Winden

OFFICERS AND SERVICE'S DIRECTORS

Michel Fournier, *President*
Yvon Bourget, *Vice-President*
Glen P. Carlin, *General Manager*
Sylvie Lefebvre, *Counsel and Corporate Secretary*
Nathalie Rhéaume, *Director, Finances and Administration*
Jean-Charles Leclerc, *Director, Engineering and Construction*
Serge Harvey, *Director, Operations and Maintenance*

PROCES




Copies of this report may be obtained from:

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