



FEDERAL BRIDGE CORPORATION  
SOCIÉTÉ DES PONTS FÉDÉRAUX



2024 | 2029

# CORPORATE PLAN SUMMARY

REBUILD & PROGRESS

The Federal Bridge Corporation Limited  
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# EXECUTIVE SUMMARY

As a proven leader in its circles, The Federal Bridge Corporation Limited (FBCL or Corporation) is a bridge corporation that continues to enable Canada's trade, tourism, and other bi-national interests together with its American partners. Throughout the past four years, since the onset of COVID, FBCL, its staff, and the staff of its subsidiary and partners, have provided continuous, uninterrupted access to the border, safely and efficiently. Not only did this allow Canadians to continue to receive and trade in vital and essential goods to live their lives every day, but also did so while continuing to provide the best value for the Government of Canada. These efforts, however, did not come cheaply to FBCL, and it's now time for FBCL to **rebuild** its much needed capital reserves. As FBCL looks to **progress** into the future, the ability to work closely with the Government of Canada will not only allow for a great number of happier tourists, and more efficient trade, but also help Canada to work towards national environmental targets.

FBCL continues to pride itself as a small but mightily efficient team providing value at every turn. Most recently, FBCL was internationally recognized on a stage in front of its peers in the tolling industry for the innovative way FBCL worked with its partners to bring a new bi-national toll system into place, winning a Toll Excellence Award from the International Bridge, Tunnel and Turnpike Association (IBTTA). Despite the effects of the border restrictions during the COVID-19 pandemic, FBCL maintained a strong A+ credit rating, showing clear evidence of the strength of FBCL's management and direction. Finally, while the COVID-19 pandemic was raging on, FBCL was subject to an Office of the Auditor General (OAG) Special Examination, to which FBCL received results of which it can be very proud.

As much as this recognition displays the efficacy of FBCL's team, the organization could only work within the restrictions that were placed upon the world, the country, and its business over the course of the last four years. FBCL and its subsidiary and partners are welcoming back traffic that at the height of the pandemic restrictions decimated passenger traffic by as much as 95% at some locations. This decimation of toll-paying traffic was exacerbated by FBCL further supporting the Government of Canada by way of various initiatives, some temporary and some enduring. These include accepting reduced lease payments from some of its leaseholders under the Canada Emergency Commercial Rent Assistance (CECRA) program, providing fulsome facilities to the Canada Border Services Agency (CBSA), and continuing to support the Crown-mandated free passage program at its subsidiary. FBCL's capital reserve was eliminated, meaning it only had to request minimal financial support from the Government of Canada during the pandemic. In fact, the organization expanded its debt load by obtaining a \$10 million loan which continues to be repaid every year from current toll revenue. The welcoming back of passenger traffic to FBCL's bridge locations is encouraging, however, there is little expectation that traffic levels will return to pre-pandemic volumes within the term of this Corporate Plan.



The resolve of FBCL is strong, and always keeps an eye to the future. Viewed through the lens of its 5 key pillars, FBCL is continuing its strategic objectives throughout this plan.

- **Sustaining Assets, Infrastructure, and Operations:** At its core, FBCL is committed to the safety and efficiency of its operations by investing in capital projects to ensure the longevity of its infrastructure, by improving its health and safety and asset management programs and by fortifying stakeholders relationships.
- **Ensuring Adaptable Scalability:** While continuing to evolve its efficiency of operations, FBCL continues to work with the Government of Canada on funding opportunities (such as the National Trade Corridors Fund – NTCF) to better the infrastructure that helps allow almost C\$200 billion in trade flow across the border.
- **Optimizing Financial Sustainability:** Through careful planning, control, and prudent appropriation requests, FBCL is providing superior value for the Government of Canada.
- **Nurturing Excellence in People:** The professional growth and health and safety of FBCL's employees are top of mind and continuing to ensure that its employees remain fully engaged in the organization ensures a positive and lasting effect on FBCL's operations.

The FBCL Board of Directors has recently approved a resilient Environment, Social and Governance (ESG) Framework which looks to responsibly address FBCL's plans moving forward. This framework looks to formalize what values FBCL has been living by for many years. From an environmental perspective, FBCL looks to responsibly build resilient infrastructure that will stand up to the test of more frequent weather events and look to ways to reduce waste and transition to low (or zero) emission vehicles. From a social perspective, reconciliation efforts with Indigenous people are engrained in every day actions displayed throughout the organization.

FBCL continues to ensure accessibility throughout the organization and advancement initiatives are available to women through FBCL. From a governance perspective, FBCL's Board of Directors initiated a first-of-its-kind Board engagement policy, and maintains impeccable internal controls.

The Corporate Plan laid out in the coming pages details plans to achieve these results and more. Due to the continued traffic and client recovery that FBCL is engaged in, as well as impending competition from the Gordie Howe International Bridge, FBCL looks forward to **rebuilding** its financial standing and **progressing** for the benefit of Canada.



# CORPORATE OVERVIEW

## Mandate and public policy role

FBCL's mandate, approved by the Minister of Transport, is to provide the highest level of stewardship so that its international bridges and associated structures are safe and efficient for users.

The business and undertakings of the Corporation are limited to the following:

- a) The design, construction, acquisition, financing, maintenance, operation, management, development, repair, demolition or reconstruction of bridges or other related structures, facilities, works or properties, including approaches, easements, power or communication transmission equipment, pipelines integrated with any such bridge, other related structures, facilities, work, or property, linking the Province of Ontario in Canada to the State of New York or the State of Michigan in the United States of America, either alone, jointly or in cooperation with any other person, legal entity or governmental authority in Canada or in the United States of America;
- b) The design, construction, acquisition, financing, maintenance, operation, management, development, repair, demolition or reconstruction of other bridges or other related structures, facilities, works or properties, as the Governor in Council may deem appropriate, on such terms and conditions as the Governor in Council may determine; and

c) Any business, undertaking or other activities incidental to any bridge, or other related structures, facilities, work or property contemplated in paragraph (a) or (b).

For the foregoing purposes, the Corporation has, subject to the *Financial Administration Act (FAA)*, the *Canada Business Corporations Act*, and its mandated articles, as amended from time to time, the capacities and powers of a natural person.

## Vision

Striving to optimize the safety, security, sustainability and capacity of bridge operations to the benefit of Canada while serving the travelling public with efficiency and respect.

## Mission

FBCL is a Crown corporation responsible for the oversight of Canadian federal interests in selected international bridge crossings between Canada and the United States.

## Main activities

In accordance with the Treasury Board Secretariat Policy on Results, FBCL's Core Responsibility statement is "Managing international bridges".

It reports to the Parliament of Canada through the Minister of Transport. The Corporation is responsible for Canadian federal interests at four of the eleven international bridges in Ontario and is headquartered in Ottawa, Ontario.



FBCL has a diverse range of duties and relationships, each shaped by the distinct history of individual bridges. The organization owns the bridges and oversees their operations. This includes managing international agreements linked to these bridges, directing engineering and inspection tasks for them, and overseeing projects related to bridge capital investments.

## Most recent annual report

The latest tabled Annual Report (2022-23) is posted at [www.federalbridge.ca/corporate-reports](http://www.federalbridge.ca/corporate-reports)

## FBCL at a glance

**Facilitated**  
**\$200B Cdn**  
 in international trade from  
 Oct 2022 to Sept 2023

### Infrastructure

4 international bridge crossings (Blue Water, Seaway International, Sault Ste. Marie, Thousand Islands) made up of 10 individual bridges

20 major buildings and more than 7,500 infrastructure components

### Key successes

Upheld A+ credit rating

Early completion of the rehabilitation of the First Blue Water Bridge (BWB)

Won a prestigious award from the IBTTA for the launch of our new toll system

First Indigenous artwork displayed on the Seaway International Bridge corridor

Continuous bridge operations even in extreme weather

Employer of Choice: Employee satisfaction 92% and ratification of collective agreement

### Financial Overview

No Cash reserve (cash + investments – long-term debt)

- Prudent budgetary measures are engrained into all business processes supporting FBCL's gradual recovery from the COVID-19 pandemic. Continued scarcity of resources to rebuild its capital reserve

Commercial volumes (100%)

- Fully recovered and consistent with previous years
- Expected to be impacted by GHIB opening in 2025

Passenger volumes (85 %)

- Impacted by regional factors such as local tourism
- Expected to be below pre-pandemic volumes for at least the next five years

### Commitments

Environmental, Social, and Governance (ESG)

- Implement sustainable and accessible practices in buildings and bridges
- Reduce environmental impact and aspire towards net-zero emissions by 2050
- Support social and governance objectives aligned with UN goals

Reconciliation efforts

- Work with Government of Canada and Indigenous communities on land issues
- Respect and promote Indigenous rights, interests and culture
- Provide opportunities for collaboration and participation
- Continue efforts to integrate Indigenous consultations and engagement in business practices

Investment in capital projects

- Execute essential rehabilitation and maintenance works
- Improve commercial traffic flow and enhanced use of toll collection system
- Update toll rate strategy and monitor market trends
- Expansion of long-term Asset Management planning

Cybersecurity

- Implement and monitor cybersecurity action plan and compliance
- Maintain secure and resilient systems and infrastructure
- Prevent and appropriately mitigate cyber risks and incidents



# OPERATING ENVIRONMENT

## ESG Commitment

FBCL is firmly committed in its international bridge operations to minimizing its impact on the environment, to ensure a financially resilient future and to the respect of its employees, stakeholders and host communities. By embedding an Environmental, Social, and Governance (ESG) Framework in FBCL's international bridge operations, FBCL creates value through:

- Weaving ESG into all aspects of our corporation to inform decision-making at all levels benefiting long term sustainability of FBCL's assets;
- Supporting initiatives that benefit our customers, our host communities, and our employees; and,
- Offering a positive employee experience and engaging our employees in delivering on our ESG objectives.

The scope of ESG at FBCL encompasses:



### Environment

- Optimizing resources and energy to minimize emissions;
- Being a caretaker of the land and adjoining waterways;
- Integrating environmental sustainability and limiting environmental impact; and
- Furthering accomplishment of climate change targets.



### Social

- Creating a relationship and reputation with people, institutions and communities; and
- Furthering labour relations, diversity, equity and inclusion.



### Governance

- Monitoring the internal system of practices, controls, and procedures;
- Optimizing methods to make decisions and comply with laws; and
- Meeting the needs of stakeholders.



## Alignment With United Nations Sustainable Development Goals

### THE GLOBAL GOALS For Sustainable Development



In September 2015, the Government of Canada and 192 other Member States, adopted the United Nations 2030 Agenda for Sustainable Development. The agenda consists of 17 Sustainable Development Goals (SDGs) centered on poverty elimination, protection of the planet, and universal peace and prosperity by 2030.

The *Federal Sustainable Development Act* (FSDA) provides the legal framework for developing and reporting on a Federal Sustainable Development Strategy (FSDS), which is the Government of Canada's primary vehicle for sustainable development

planning and reporting. Canada's 2022 to 2026 FSDS includes specific, measurable, and time-bound targets linked to the 17 SDGs.

As a federal Crown corporation, FBCL is not subject to the application of the FSDA and is therefore not required to contribute to the development and reporting of the FSDS. That said, FBCL is intrinsically tied to the SDGs, and as a good corporate citizen, FBCL recognizes the need to align its business to these goals. In addition to adopting goals 10, 12, and 13, which are required by all organizations subject to the FSDA, FBCL is also stepping up in order to implement an additional three.

The goals are as follow and are discussed within this Corporate plan, most specifically in the Objectives, Activities, Expected Results & Performance Indicators section:

- Goal 5. Champion gender equality
- Goal 9: Foster innovation and green infrastructure in Canada
- Goal 10: Advance reconciliation with Indigenous peoples and take action to reduce inequality
- Goals 12: Reduce waste and transition to zero-emission vehicles
- Goal 13. Take action on climate change and its impacts
- Goal 16: Promote fair and accessible Justice System, Enforce Environmental Laws and Manage Impacts

## Internal environment

Human Resources	How we operate
<p><b>118</b></p> <p>Employees directly employed by FBCL (95) and its subsidiary (23), The Seaway International Bridge Corporation, Ltd. (SIBC). Through the flexible employment of a range of employees, this equates to 107 FTE with an additional 15 FTEs for the maintenance and higher tourism months.</p> <p>Staff at the TIIB and SSMIB are employed by FBCL's American partners.</p> <p>With impacted revenues, the strategy has been to temporarily suspend new position hiring with staff have been dynamically reassigned internally to accommodate short term functional requirements. FBCL will be staffing targeted positions on a permanent basis as it makes progress on its financial recovery. Revenues have started to rebound. However they continue to be below financial requirements, thus staffing targets have remained largely unchanged.</p> <p><b>Talent Retention</b></p> <p>FBCL is committed to investing in our people by the provision of training, development opportunities and a positive work-life balance. To this end, FBCL employees consistently report highly on survey results related to employee engagement (92%, as of September 2023 reporting).</p> <p><b>November 2023 – March 2028</b></p> <p>The Public Service Alliance of Canada (PSAC) Local 501 and FBCL have agreed on a new collective agreement. This four-and-a-half-year agreement, for which PSAC represents approximately 40 employees, demonstrates a positive outcome for both represented employees as well as FBCL.</p> <p><b>Pension Plans</b></p> <p>Employees of FBCL participate in a defined contribution pension plan with a 50:50 matching ratio. SIBC employees are covered by the defined benefit Public Service Pension Plan (PSPP).</p>	<p>FBCL delivers on its mission through its five strategic pillars below:</p> <p>An organization operating with a portfolio management approach and focused on providing excellent customer service;</p> <p>Stewardship of the bridge assets under its responsibility focused on safety and security through a program of independent inspections, and appropriate capital and maintenance programs;</p> <p>Effective use of technology, utilizing common platforms to ensure efficiency of operations and accuracy of information, managed in a manner that limits associated risk and cost;</p> <p>Sustainability of operations, maintenance and administration through a shared revenue approach, prioritized investment, toll optimization and cost containment; and,</p> <p>Sound governance of the Corporation, through an optimized structure, the required capacity and skills, and strong relationships with stakeholders.</p>

## External environment

### INTERNATIONAL TRAFFIC MIX AT FBCL'S CROSSINGS

The mix of types of traffic at FBCL's international crossings are as varied as the types of bridges owned and managed. Every location has its own unique local characteristics that set it apart from other bridges in FBCL's portfolio, or other bridges in the province.

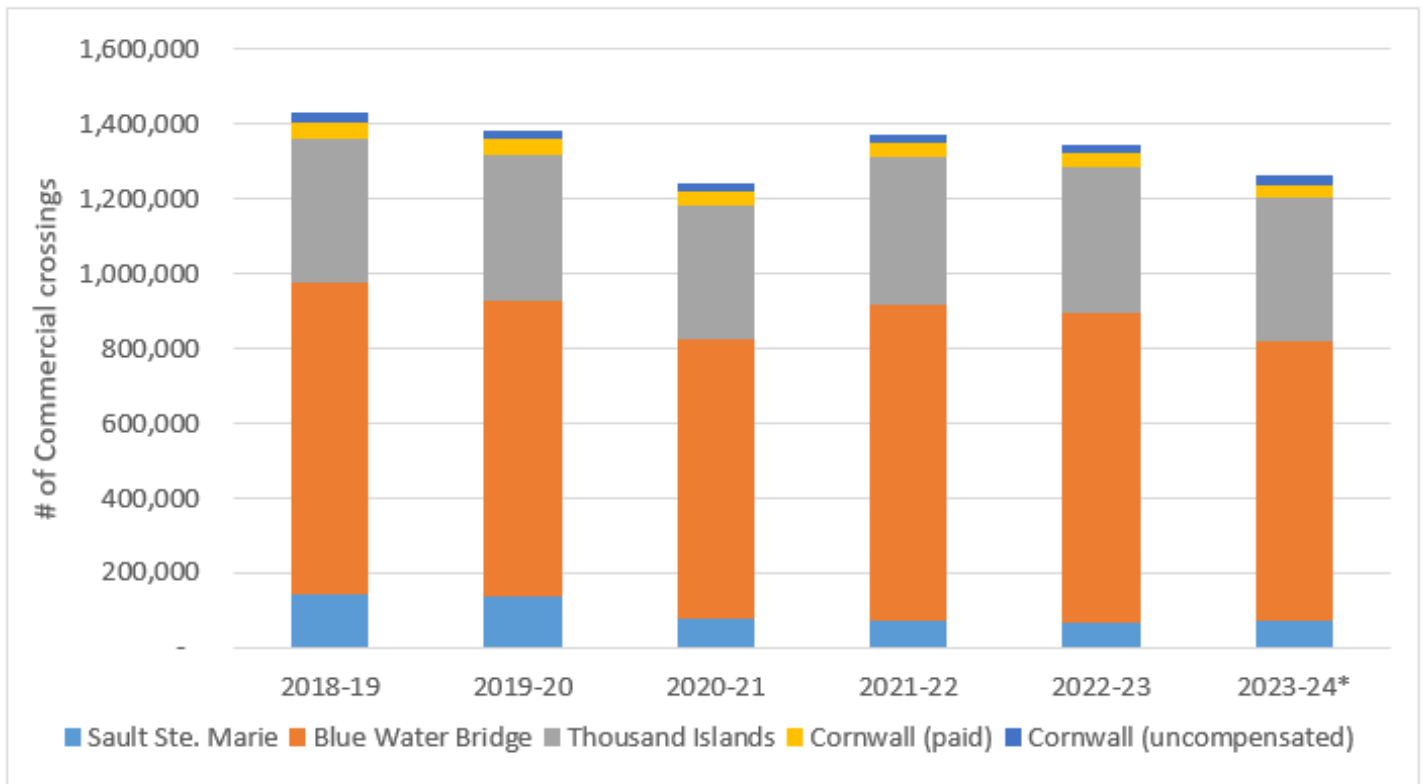
Blue Water Bridge (BWB)	Thousand Islands International Bridge (TIIB)
<p>35 - 40% commercial vehicles</p> <p>60 - 65% passenger traffic</p> <p>This is the second-busiest commercial bridge crossing in the country.</p> <p>This crossing provides Canada a proven, reliably strong crossing for commercial vehicles across the Great Lakes in the southwestern part of the province. It provides a critical redundancy for Canada's trade routes due to its geographic separation from the Windsor area. The connectivity on both sides of the international border to major highways helps to move goods and freight between the two countries. Passenger traffic is made up primarily of cross-border tourists, family connections and retail shoppers.</p>	<p>20% commercial vehicles</p> <p>80% passenger traffic</p> <p>Strongest commercial crossing in Eastern Ontario. This is due to the major highway connectivity on both sides of the border and bolstered by significant recent investments in border customs facilities by both the Canadian and U.S. federal governments. Passenger traffic at this location has a strong base of local traffic who live in and around the Thousand Islands. It is also supported by strong seasonal tourist volumes, as a gateway either into New York state, or eastern Ontario, and for snowbird traffic to warmer winter climates.</p>
Sault Ste. Marie International Bridge (SSMIB)	Seaway International Bridge (SIB)
<p>10% commercial vehicles</p> <p>90% passenger traffic</p> <p>Very high dependence on local passenger traffic. This crossing is the only vehicular crossing from Ontario to Michigan within some 1,000 kilometres. The closely tied communities of both sides of the border necessitate this bridge to ensure the region continues to stay connected. Sault Ste. Marie is the largest international trade crossing in northwestern Ontario, with trade volumes being in the billions of dollars annually. The international bridge connects to the Trans-Canada Highway and is a convenient route for goods transported from northeastern and eastern Ontario, and from Quebec to the Upper Great Lakes states. The crossing is connected directly to the major north-south artery I-75 and to the Michigan Highway 28, which runs south of Lake Superior into Wisconsin and Minnesota.</p>	<p>20% paid crossings, made up of:</p> <ul style="list-style-type: none"> <li>• 7% commercial vehicles</li> <li>• 93% passenger traffic</li> </ul> <p>80% Crown-mandated free passage made up of:</p> <ul style="list-style-type: none"> <li>• 1% commercial vehicles</li> <li>• 99% passenger traffic</li> </ul> <p>The SIB welcomes over 1.9 million free transits due to the Crown-mandated free passage obligations afforded to the Indigenous community, which represents an increase of 10% in the last four years. Due to the lack of major highways or interstates connecting directly to the bridge, there is a low overall dependency on commercial traffic volumes. This was lessened all the much more as major manufacturers in the immediate area have left.</p>

## TRAFFIC VOLUMES

**Commercial:** Commercial traffic dropped in the early stages of the pandemic, but rebounded by the fall of 2020 and overall have been steady up to fiscal 2023-24. Both the SIB and the TIIB have not seen any significant fluctuations in their commercial volumes.

From 2020-21 to 2022-23, the BWB location had steady commercial volumes. However starting in 2023-24, the volumes dipped as much as fifteen percent when compared to 2022-23 during the construction season (May 2023 to September 2023), in part due to one of the bridge spans being closed for summer maintenance works and resource difficulties of some border agencies. Furthermore, the decline is attributed to declines in certain manufacturing markets and traffic temporarily using other crossing alternatives. The American side of the BWB, which processes traffic coming into Canada, did not experience the same decrease in volumes due to the bridge closure. The traffic heading into the U.S. seemed to have experienced greater delays at the border and redirected to alternatives. However, traffic returning to Canada appears to not have experienced those same delays and continued to make use of the BWB. For commercial trucks, travel and wait time are the biggest consideration in determining which bridge to use, thus the availability of lanes elsewhere negatively affected BWB traffic. A similar effect is expected to occur in the 2024-25 fiscal year due to maintenance works to occur on the second bridge span at the BWB location.

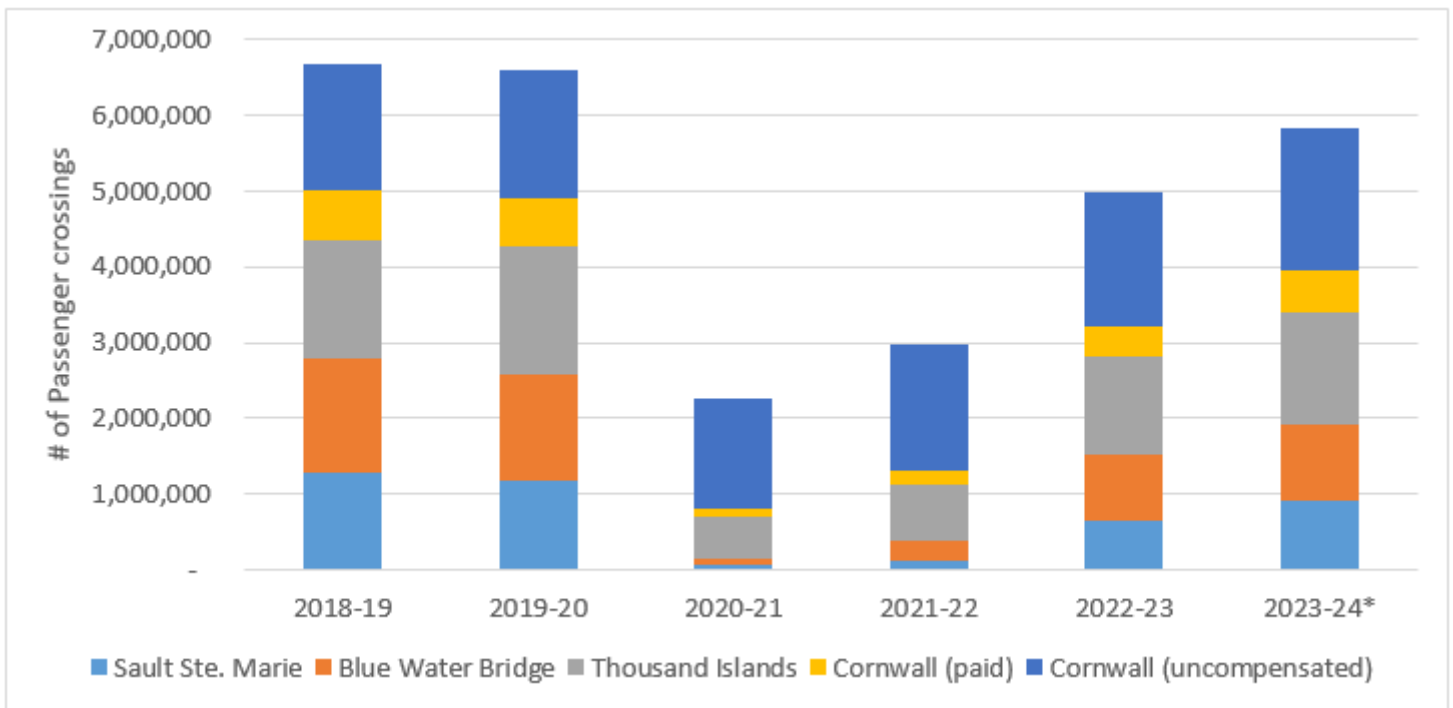
From 2020-21 onwards, SSMIB has seen a decrease of approximately 50 percent of its commercial volumes but given the lower dependency on commercial traffic, the financial adversity of this location is more a derivative of lower passenger volumes.



\* Denotes forecasted volumes

**Passenger:** Since the latter half of 2021, the Canadian and U.S. federal governments have slowly repealed border restrictions for nonessential traffic. By October 2022, Canada had repealed all restrictions and in May 2023, the U.S. followed suit and repealed all restrictions. There has been a direct correlation between the removing of restrictions and the increase in passenger volumes. In 2022-2023, passenger volumes were 35 percent lower than pre-pandemic volumes whereas 2023-24 is predicted to be 25 percent below pre-pandemic volumes. Substantial recovery remains to be gained in passenger volumes.

SIB and TIIB have seen the greatest increase in volumes being 85 and 90 percent of pre-pandemic volumes, respectively. In Cornwall, the uncompensated crossings linked to Crown-mandated free passage has increased by 10% as compared to pre-pandemic levels to reach 80% of total crossings. Both the BWB and SSMIB continue to be 35 percent lower than pre-pandemic volumes.



\* Denotes forecasted volumes

## LOOKING FORWARD

**Commercial:** Commercial volumes, other than those at the BWB, are predicted to be consistent year-over-year. Many of these locations have already sustained commercial traffic volume decreases, which are expected to be long-term. No growth in volumes is predicted during the planning period. As for the BWB, while volumes were sustained at pre-pandemic (or at times, better than pre-pandemic) volumes in the time while border restrictions were in place since 2020, this trend is now reversing. Commercial volumes at this location have shown a contraction in the Fall of 2023, indicating a broader economic slowdown is likely. Experience has shown that such economic slowdowns (recessions) have multi-year impacts on cross-border traffic. With this in evidence, combined with a reduced traffic effect expected to occur with the opening of the Gordie Howe International Bridge (GHIB), BWB commercial traffic volumes are expected to be affected to a greater effect than expected in prior Corporate Plans.

**Passenger:** Volumes over the course of the planning period are still expected to see regional variances, as traffic continues to recover across the portfolio. While traffic at the TIIB is expected in excess of 90% of pre-pandemic volumes, other locations are only expecting to reach 85%, at the most, at differing periods over the course of the next two years. A further decrease in volume at the BWB is estimated once the GHIB opens in 2025.

The Crown-mandated free passage for the Indigenous population at the SIB crossing has evidenced itself that despite all other mitigating factors, these crossings are largely immune from external factors and will continue at significant volumes. These volumes are not only significant for the crossing itself, but for FBCL as a whole, as each crossing (paid or unpaid) generates a need for FBCL spending, either through operational or capital requirements.

Current existing external environment	External environment projected over the planning period
<b>Competitors</b>	
<p>Historically, the BWB has robustly established itself as the second-busiest land commercial crossing between Canada and the U.S. This is due to the efficiency of its primary highway access and also, in part, to user frustrations with congestion in the Windsor-Detroit area. Traffic studies show that it offers the preferred routing from Ontario’s industrial core to long-haul destinations in the central and southwestern United States such as Chicago, Texas and Mexico.</p> <p>The TIIB and SIB locations compete with the Ogdensburg-Prescott International Bridge, which operates under a different, privatized, business model, using an aggressive toll rate strategy. This can be done, in large part, due to this location not being subject to restrictive and costly Section 6 requirements under the <i>Customs Act</i>. This competitive tolling approach heavily constrains FBCL’s flexibility in dealing with toll rate elasticity and rate management along the St. Lawrence Seaway. Further, the Mohawk Council of Akwesasne has been clear in their view that toll rate increases at the SIB are a direct impediment to their economic growth.</p> <p>The SSMIB crossing is the only vehicular crossing from Ontario to Michigan within a 1,000-kilometre radius and as such there is limited competition for this bridge location.</p>	<p>The introduction of the new GHIB is projected to have a significant effect on both passenger and commercial transits at the BWB. While it is expected to remain the option of choice for western and southwestern tractor trailers, an important (and economically impactful) disruptive cycle to BWB’s commercial traffic is anticipated. Previously, a new status quo was not expected to be established in the region for at least five years following the opening of the new bridge(s), now projected for 2025. However, a shift in volumes may be permanently enshrined earlier, as evidenced by the shift in traffic in the summer of 2023 due to a greater number of U.S. Customs and Border Protection (CBP) lanes being made available in Windsor-Detroit.</p> <p>There are no changes expected affecting the TIIB, SIB, and SSMIB locations. However, the continuing and sustained loss of traffic in Sault Ste. Marie are concerning. This will create further difficulty for this crossing to achieve self-sufficiency.</p> <p>The SIB is no longer self-sustainable. Since 2019-20, the crossing no longer receives sufficient paying traffic to cover even minimal operating costs. Additionally, it no longer can contribute any surplus to its much needed major maintenance and capital works. It is highly unlikely to return to self-sufficiency in the foreseeable future. Bi-national discussions between the partners are enabling the discussions of options with all scenarios requiring some level of financial support from each government.</p>

Current existing external environment	External environment projected over the planning period
<b>Technological and security infrastructure changes</b>	
<p>A reputation for speed and ease of crossing is the single most important factor affecting crossing choice for non-local travellers and commercial goods transporters.</p> <p>FBCL has strong security plans in place at each location in line with requirements of the <i>International Bridges and Tunnels Act (IBTA)</i>. Additionally, security operations centres monitor the activities at each bridge location.</p> <p>The BWB’s outbound plaza to the U.S. and inbound Canada Border Services Agency (CBSA) traffic processing is beyond its useful life and has infrastructure and system inefficiencies for traffic flow through. The plaza is adjacent to the St. Clair River that is at historical level highs and is prone to flooding and requires a completely new drainage plan to maintain comprehensive service. In a similar fashion, the toll plaza on the US side of the crossing is engaged in a rehabilitation project that will total approximately US\$600 million.</p> <p>Bridge users, like many consumers in North America, are quickly advancing towards the use of non-cash modes of payment. To ensure ongoing efficiency of operations, FBCL must remain responsive with its adoption of relevant technologies. FBCL collaborated with the Michigan Department of Transportation (MDOT) in the implementation of a next-generation toll management system. In fact, this project won a prestigious Toll Excellence international award. The shared project helped to reduce overall acquisition and maintenance costs as well as facilitating interoperability of frequent crossing account users on both sides of the BWB as well as the SSMIB. In fact, the continued growth of FBCL’s frequent crossing ConneXion program indicates the strength of the program and allows for further utilization and integration with the new toll management system.</p>	<p>FBCL continues to engage with border agencies on various projects towards land border modernization.</p> <p>Additionally, FBCL is forging relationships to prepare for the future. The Ontario Vehicle Innovation Network (OVIN), a division of the Ontario Centre for Innovation (OCI), is partnering through an MOU with FBCL to identify opportunities to introduce new technology and prepare for the future mobility and cross-border movement of goods and people. FBCL is also a founding member with the Council of the Great Lakes Region (CGLR) to create the Bi-National Great Lakes Border Trade and Supply Chain Alliance. This will bring academia, industry, and government together in a bi-national forum to discuss, design, and identify regional solutions that will facilitate and grow the secure movement of goods and people across the international border.</p> <p>The BWB Master Plan has been implemented in phases for more than two decades. Ultimately, the goal of the Master Plan is to increase the efficiency and reduce wait times thus reducing current existing bottlenecks and climate impact by reducing idle times. FBCL’s financial situation has resulted in funding support being necessary to realize this.</p> <p>Further requests for funding have been put forward by the Corporation to help alleviate supply-chain bottlenecks, improve infrastructure, and address climate change evidenced at the SSMIB and TIIB locations.</p>

Current existing external environment	External environment projected over the planning period
<b>Environmental changes</b>	
<p>As part of its asset management objectives, the Corporation has completed a weather and climate change impact assessment study to identify and quantify the Corporation’s vulnerabilities and risk areas resulting from environmental factors. FBCL is currently investigating how these solutions can be implemented either through more immediate funded solutions, or long-term internally funded options.</p> <p>The BWB Corporate Center has been Leadership in Energy and Environmental Design (LEED) Silver certified since June 2015. At FBCL’s various locations, numerous incremental positive environmental improvements continue. Mostly recently, major drainage works in collaboration with host communities to mitigate high water levels during significant weather events is one such example.</p> <p>FBCL has approved an ESG framework with a focus on relevant United Nations Sustainable Development Goals. As a public entity, FBCL had already incorporated many key ESG themes in its strategy, operations, and reporting throughout the years, although they have not labelled as such. During fiscal 2023-24 FBCL integrated its long-standing elements into a formal ESG framework to identify material ESG factors that present the most significant risks over its planning periods, as well as defining strategies to mitigate these risks to an acceptable level.</p> <p>FBCL is developing its climate-related financial risk disclosure as established by the Task Force on Climate-related Financial Disclosure (TCFD), to be ready for reporting in the 2023-24 Annual Report.</p>	<p>In addition to past actions, the Corporation aims to increase its green presence and is developing its climate change action plan. Various initiatives being implemented or contemplated for deployment include to:</p> <ul style="list-style-type: none"> <li>• address action plan stemming from climate study with added procedures and proactive maintenance;</li> <li>• finalize LED transition on remaining lights on the bridges and building infrastructure;</li> <li>• install electric vehicle charging stations at all portfolio bridges;</li> <li>• assess feasibility for the generation of green (solar, wind, etc.) energy at facilities;</li> <li>• increase vehicle processing capabilities to result in shorter idling time;</li> <li>• work with CBSA and U.S. CBP to improve traffic flow;</li> <li>• reuse existing materials where feasible in new construction; and</li> <li>• establish greenhouse gas emission (GHG) reduction strategies with an aspiration towards becoming net zero by 2050.</li> </ul> <p>Initiatives that support GHG emissions reductions, and other capital intensive projects remain a priority. FBCL is exploring all funding opportunities and options to see this through due to limited operational revenue and a decimated capital reserve.</p>



Current existing external environment	External environment projected over the planning period
<b>Economic indicators</b>	
<p>Certain government policy decisions directly affect FBCL's operations. This was most evident through evolving travel restrictions resulting from the pandemic. Even with the lifting of all restrictions, passenger volumes are still significantly below pre-pandemic volumes. According to the United Nations World Tourism Organization (UNWTO), an analysis of international tourist arrivals shows arrivals in the Americas during the first six months of 2023 at 87% of 2019 levels. The UNWTO further states that "tourism's recovery also faces some challenges. According to the UNWTO Panel of Experts, the economic situation remains the main factor weighing on the effective recovery of international tourism in 2023, with high inflation and rising oil prices translating into higher transport and accommodation costs. As a result, tourists are expected to increasingly seek value for money and travel closer to home"<sup>1</sup>.</p> <p>Soaring inflation rates have hit Canadians hard. With rates hitting in excess of 8% in mid-2022, Canadians have not seen rates like this since the 1980s. In September 2023, the inflation rate rose another 3.8% on a year-over-year basis. In the construction market, experienced inflation (or escalation) has been considerably higher than general inflation. In order to combat these high inflation rates, interest rates are at levels not seen in Canada in over two decades. With this incentive to save money, this negatively affects the volumes of traffic crossing international borders.</p> <p>Currency exchange rates directly influence the value of goods being imported or exported, as well as whether individuals will travel. Since 2020, the exchange rate of the Canadian dollar with the US dollar has fluctuated between 1.20 and 1.42. From April 1 to October 31, 2023, the exchange rate averaged 1.35.</p>	<p>Currently, passenger volumes at most of FBCL's bridge locations are slightly below the UNWTO Americas percentage. Since the tourism industry continues to face challenges, FBCL continues to predict volumes below pre-pandemic levels.</p> <p>According to the Bank of Canada's October 2023 Monetary Policy Report, the inflation rate is expected to stay around 3.5% until the middle of 2024 and returning to target in 2025. It is also anticipated that higher than normal inflation will continue in the construction market.</p> <p>An exchange rate of 1.40 is expected for all five fiscal years. This high exchange rate results in an increase in the cost of items for Canadians and will continue to constrain the cross border trips of Canadians, by far the biggest users of the Canada-U.S. border.</p> <p>The economy is currently not expanding, with only very modest growth believed to occur beyond 2024-25. This will have a direct effect on FBCL, both with passenger and commercial trucking vehicles.</p>

<sup>1</sup> <https://www.unwto.org/news/tourism-on-track-for-full-recovery-as-new-data-shows-strong-start-to-2023#:~:text=The%20Q1%202023%20results%20are,%25%20of%20pre%2Dpandemic%20levels.>

Current existing external environment	External environment projected over the planning period
<b>Economic indicators</b>	
<p>The latest GDP numbers show that the economy has not expanded since May 2023 indicating that Canada's economy is showing clear signs of a slowdown or recession, resulting in a forecasted decrease in the number of commercial crossings expected at FBCL's bridge locations.</p>	

Current existing external environment	External environment projected over the planning period
<b>Outstanding legal issues or actions</b>	
<p>The Corporation is named as a defendant jointly and severally with its wholly owned subsidiary corporation, SIBC, and the Crown in regard to a land claim litigation at the SIB Crossing. FBCL is committed to a favourable settlement for all parties. In the Fall of 2023, a tentative settlement agreement reached by the parties in 2018 was rejected in a community referendum amongst the Akwesasne people who live on Cornwall Island, as per a notice posted by the Mohawk Council of Akwesasne (MCA). The Attorney General of Canada has assumed responsibility to defend against the claim.</p>	<p>Over the planning period, discussions between the Crown and MCA will continue with the hopes of establishing a new settlement agreement that will be favourable to all parties.</p>

## Compliance with Authorities

### MINISTERIAL DIRECTIVES

FBCL is subject to directives pursuant to section 89 of the FAA. Currently there are two directives applicable to FBCL for which FBCL complies with both by:

- Ensuring that pension plans provide a 50:50 current service cost-sharing ratio between employee and employers; and
- Aligning its travel, hospitality, conference and event expenditure policy with Treasury Board policies, directives and related instruments.

FBCL is also subject to the Directive on Proactive Publication under the Access to Information Act issued pursuant to section 79(2) and 89(2) of the *Access to Information Act* and section 2.2 of the *Policy on Access to Information*. FBCL and its subsidiary are currently reviewing and updating, where necessary, their internal processes to comply with this directive.

## MINISTERIAL SPIRIT & INTENT AND PLANS TO ALIGN WITH GOVERNMENT PRIORITIES AND DIRECTION

The Minister of Transport's latest mandate letter to FBCL was September 6, 2022. The letter reiterates a commitment to ensuring Canada's transportation system is safe, secure, efficient and environmentally responsible.

**Cybersecurity:** FBCL is to continue to be prepared to proactively and adequately mitigate and respond to emerging incidents and hazards, including cybersecurity threats. FBCL executes data related initiatives that improve and broaden the Corporation's cybersecurity program by deploying proven technologies and processes to best protect our digital data interests. The Corporation does not tolerate external data breaches and implements strong mitigating measures (which include yearly program reviews), adequate ransomware insurance, and continuous employee awareness. Upon any findings of inadequate data integrity standards, the Corporation sets up action plans to deal with the observations quickly and efficiently.

**Climate change:** FBCL is seeking opportunities to advance measures that support Canada's transition to net zero, and considers targets related to this priority throughout its operations. In fiscal 2023-24, FBCL created its ESG framework which identifies material ESG factors that present the most significant risks over the short, medium, and long terms. It also defines strategies to mitigate these risks to an acceptable level and will seek any funding opportunities to implement these strategies. The ESG Framework is partly outlined under the *ESG Commitment* section of the Corporate Overview as well as under the *Corporate Strategic Goals* section of the Objectives, Activities, Expected Results and Performance Indicators of this Corporate Plan. In fiscal

2023-24 a GHG study was conducted in order to comply with TCFD reporting requirements, including providing a base year for scopes 1 and 2 GHG emissions and outlining recommendations on GHG reduction strategies. FBCL is committed to reducing GHG emissions, and aspires towards federal government goals for the country by 2030 and 2050. FBCL's reduction strategy will be contemplated by fiscal 2025-26.

**Moving of goods and people:** The continued operation of FBCL bridges is vital to highly integrated supply chains and cross-border movement of essential goods and services. FBCL continues to strive to reduce and prevent bottlenecks in Canada's transportation network and ease traffic flow between Canada and the United States. FBCL implemented a new tolling system in 2022 at two bridge locations, Point Edward and Sault Ste. Marie. The new tolling system has significantly reduced the commercial truck idling time, recognizing that idling time is the biggest contribution to GHG emissions. FBCL continues to work collaboratively with all stakeholders to proactively mitigate and respond to emerging incidents and hazards. Currently, FBCL has three proposals submitted to Transport Canada, which strive to reduce and prevent bottlenecks in Canada's transportation network and ease traffic flow between Canada and the United States.



**Reconciliation efforts:** A community referendum on Cornwall Island took place during the Fall of 2023 regarding the long-standing land claim litigation with the Mohawks of Akwesasne (MCA). Per the MCA website, this referendum rejected the proposed settlement agreement reached by the parties in 2018. It is anticipated that continued discussions with the Crown will recommence in early 2024. FBCL will continue to work alongside Transport Canada and the Crown in order to advance the long-standing land claim with the intention of a favourable settlement for all parties.

Working alongside the Government of Canada, FBCL follows the *United Nations Declaration on the Rights of Indigenous Peoples Act*, which received royal assent in June 2021, by working in partnership with Indigenous Peoples to advance their rights. To improve Indigenous relationships, the Corporation:

- collaborates with the community, including supporting environmental protection of the lands and waterways adjoining bridge facilities;
- maintains dialogue with the MCA on all major projects and on various operational matters;
- provides Crown-mandated free passage for members of the Mohawk community at the SIB;
- works with both the U.S. and Canadian federal governments to establish a new governance and funding mechanism for SIBC;
- maintains 50% Indigenous staffing levels at SIB;
- recognizes both National Indigenous Peoples Day and National Day for Truth and Reconciliation in various manners, including recognition as statutory holidays, illuminating SIB's historic bridge pier orange, and highlighting orange markings throughout the crossing including the brightly painted orange feathers located at the crosswalk;
- emphasizes the use of the Mohawk language by displaying English, French and Mohawk on SIB prominent signs as well introducing the Mohawk language to staff;
- displays Indigenous art along the SIB corridor;
- ensures procurement at SIB includes at least 15% Mohawk content in major projects in accordance with the Memorandum of Understanding in place and including First Nation ownership as an evaluation criteria in selecting procurement at FBCL; and
- respects of the region's history and establishes protocols for consultation for certain projects with the Aamjiwnaang First Nation, at the BWB.

Most recently, SIBC celebrated the wonderful talents of a local Akwesasne Mohawk artist (and SIBC employee) with the unveiling of the second of two prominent murals celebrating local culture and activities displayed along the crossing. These unveilings celebrated the comradery of both the SIBC family and the Indigenous community.

**Equity, diversity and inclusion:** When FBCL embarks on hiring, the Corporation implements outreach and recruitment strategies that uphold the principles of equity, diversity, and inclusion. FBCL's ESG Framework addresses the current human resources statistics that promote initiatives that support equality, diversity and inclusion but also further addresses the opportunity to invest in the development of female employees in leadership roles.

It also ensures compliance, per the *Accessible Canada Act*, to help make the transportation system more accessible for persons with disabilities. In FY20-21, FBCL completed and obtained the Rick Hansen Foundation Accessibility Certification (RHFAC), making the BWB the first and only land border crossing in Canada to achieve this distinguished award. In line with FBCL's ESG framework, further works on existing infrastructure are pending funding, and certification to RHFAC's gold standard are expected for new buildings, enabling a welcoming and seamless experience for all Canadians and travellers alike.

**Budget 2023: Refocusing Government Spending:** Budget 2023 announced government-wide spending reductions, including spending by certain Crown corporations. The Government committed to:

- reduce spending on consulting, other professional services, and travel by roughly 15 percent of planned 2023-24 discretionary spending in these areas; and
- phase in a roughly 3 percent reduction of eligible spending by 2026–27.

On April 4, 2023, FBCL received notice from the Treasury Board of Canada Secretariat that it was excluded from these spending reductions as the corporation's operating base is below the threshold established for the exercise. Despite being excluded from these reduction requirements, FBCL has worked to ensure it aligns with their spirit. In fact, FBCL complies with the spirit of the 2023 budget reductions throughout the planning period. Further details on how FBCL complies are included in the appendix under Government Priorities and Directives.

## Strategic Land Exchanges

Flowing from continuous dialogue on topics of mutual interest and site security, two municipalities are subject to proposed land exchanges with FBCL. If authorized, and as originally discussed in FBCL's 2021-2026 Corporate Plan, these exchanges satisfy the strategic interests of all affected parties. In Point Edward, FBCL's vacant lots at 310-316 St Clair Avenue would be exchanged for the Bridge Street access point. In Sault Ste. Marie, the undeveloped eastern portion of 395 Queen Street West would be severed and traded for title to 499 Queen Street West, a vacant property. These exchanges are contemplated in compliance with the *FAA* and *the Crown Corporation General Regulations (1995)*.

## City of Cornwall Lands

Transport Canada has identified surplus parcels of lands for disposal located north and south of the Cornwall Canal. These parcels are subdivided into 18 parts based on the latest land survey conducted in 2023. Of these 18 parts, Transport Canada and FBCL have agreed that the administration of parts 6, 7, 8, 9, 10, 11, 12 and 17 is to be transferred from the Minister of Transport to FBCL pursuant to section 16(1)(g) of the *Federal Real Property and Federal Immovables Act*. FBCL's intention is to only maintain the land in which there is currently FBCL bridge infrastructure, thus FBCL is only receiving these 8 parcels freeing up the other 10 for strategic disposition by the Crown. Parts 6, 7 and 8 are located north of the Cornwall Canal, part 9 is the Canal Bridge itself, and parts 10, 11, 12 and 17 are located south of the Cornwall Canal. Transport Canada has indicated that it plans to proceed with the administrative transfer in 2024 25.

## Special Examinations and Audits

Over the course of fiscal 2021-22, the Office of the Auditor General (OAG) conducted its first special examination of the post-amalgamation FBCL. The final report was approved by the Board of Directors in March 2022 and was tabled in Parliament in May 2022. The findings of the report were very positive for the Corporation and are a further source of pride for FBCL and its employees who put in the work every day to ensure it is serving the needs of Canadians in the highest respects. In its report, the OAG concluded that they found no significant deficiencies for FBCL and that the Corporation manages its bridge assets and operations well. The audit covered topics such as corporate governance, strategic planning, corporate risk management practices, management of bridge assets and bridge operations of the company. The report identified seven areas of improvements in which six areas of improvements are to be fully actioned between fiscal 2024 and fiscal 2026 and one to be fully actioned within five years of funding becoming available.

The 2022 Special Examination Report is posted at <https://www.federalbridge.ca/examinations/>.

On a three-year cycle, the Corporation conducts a risk-based audit plan, performing internal audits on a broad set of topics. The 2018 to 2020 audit cycle focused primarily on Finance policies and processes post amalgamation while the 2021 to 2023 and 2024 to 2026 cycles focus on a wide range of aspects including Information Technology, Security, Infrastructure, Operations, Finance and a review of all significant Corporate and Administrative policies.

Additionally, the OAG conducts annual fiscal audits and there are presently no outstanding findings.



# OBJECTIVES, ACTIVITIES, EXPECTED RESULTS & PERFORMANCE INDICATORS

## SWOT Analysis

In delivering its mandate, the Corporation is affected by internal and external factors that may impact results. Once identified, these factors are monitored and plans are adapted to address significant changes and challenges. FBCL has established a common approach to handling key, portfolio-wide issues that arise while also taking local crossing attributes and requirements into account.

## STRENGTHS

- Strategic locations, particularly BWB
- Formalizing an asset management system to further enhance planning of capital maintenance and projects
- Experienced leadership, committed and capable staff
- Effective performance, risk measurement and management
- Positive support from the Crown as well as partnership and collaboration with user communities and related stakeholders
- Up-to-date and tested cybersecurity processes and solutions to protect FBCL data
- Value for money achieved through proven robust procurement controls

## WEAKNESSES

- Cash reserves for capital projects depleted due to pandemic resulting in insufficient funds to properly invest into capital projects
- Insufficient revenue due to Crown-mandated free passage to cover SIBC operating costs and no reserve available for capital projects
- High reliance on toll revenue due to limited revenue diversification
- High bond debt inherited from legacy Corporation
- Increasing costs to support CBSA/CFIA mandates with no offset in revenue or funding

Expired terms  
and term limits of  
CEO and Board of  
Directors

## OPPORTUNITIES

- Funding to maintain existing capital infrastructure and to allow for travel flow enhancement opportunities
- Establishment of a new governance framework for SIBC with U.S. partner, GLS, that takes into consideration foregone revenue for Crown-mandated free passage
- Advancement of Reconciliation efforts
- Growth opportunities such as revenue diversification and integration with other international bridges
- The creation of FBCL's ESG framework includes opportunities to further align with Government priorities
- Anticipated economic development in the Sarnia-Lambton area
- MDOT is investing significant funds into the US plaza at the BWB which should increase CBP processing efficiencies

## THREATS

- Increased competition, particularly from new Windsor-Detroit international bridge
- Highly dependent on macroeconomic factors, exchange rates and political decisions
- Higher than normal inflation and sector escalation rates for construction materials and labour driving higher capital needs
- Climate change has direct impact on infrastructure integrity and operational cost
- Three of four bridges are dependent on passenger traffic and therefore changes in travel behaviours could have temporary short-term or permanent impact on volumes
- Ability to easily and quickly recruit in specialty fields by locations

## Capital Projects

All of FBCL's crossings have major works planned in the coming years. Some of these projects are dependent upon funding applications and others have already received funding approvals through capital appropriations.

<p><b>Blue Water Bridge</b> Pending approval or funding requests to be submitted during the planning period: total \$237M</p>	<p><b>NTCF (pending approval):</b> Upgrade of the plaza for improved efficiency and throughput of traffic, reducing idling, waiting times, and GHG. Focus on the movement of commercial goods across the border, next-generation technologies to improve traffic management, customer relationships, and greening of operations.</p> <p><b>Funding requests to be submitted during the planning period:</b> Building improvements based on current building conditions assessment.</p> <p><b>FBCL &amp; appropriation funding (2024-25):</b> Structural rehabilitation of the second bridge span and resurfacing to enable safety and security improvements.</p>
<p><b>Thousand Islands International Bridge</b> Pending approval or funding requests to be submitted during the planning period: \$43M</p>	<p><b>NTCF (pending approval):</b> Improvement to technological infrastructure, providing security and traffic flow advancements, and key replacement of aged maintenance facilities.</p> <p><b>Funding requests to be submitted during planning period:</b> Replacement of key bridge maintenance items including rust prevention, bridge fracture critical member maintenance, and building improvements based on current building conditions assessment.</p> <p><b>FBCL &amp; appropriation funding (2024-25):</b> Key bridge maintenance items including main cable protection and girder pin replacement.</p>
<p><b>Sault Ste. Marie International Bridge</b> Pending approval or funding requests to be submitted during the planning period: \$8M</p>	<p><b>NTCF (pending approval):</b> Fundamental enhancements to bridge infrastructure to allow uninterrupted year-round access for commercial vehicles.</p> <p><b>Funding request to be submitted during the planning period:</b> Building improvements based on current building conditions assessment and purchase of maintenance equipment.</p>
<p><b>Seaway International Bridge</b> Pending approval or funding requests to be submitted during the planning period: \$40M (\$24M is approved under GBCF)</p>	<p><b>Funding request to be submitted during planning period:</b> Replacement of key infrastructure items, and purchase of maintenance and operating equipment.</p> <p><b>FBCL &amp; appropriation funding (2024-25):</b> Essential bridge maintenance to prolong bridge life and ensure safe and secure crossings for the public. Required renewal of decades-old equipment essential for bridge operations.</p> <p><b>Gateways and Border Crossing Fund (approved):</b> Relocation of maintenance and administration facilities.</p>



## Corporate Strategic Goals

The Corporation continues to focus on the core and future of its business to ensure bridge availability and maintain public trust via four key areas, as defined below. While the stewardship of assets and operational optimization remain foundational pieces of the mandate, increasing weight is being placed on skills development, retention, and digital tools in order to ensure the long-term sustainability of the Corporation and its subsidiary.

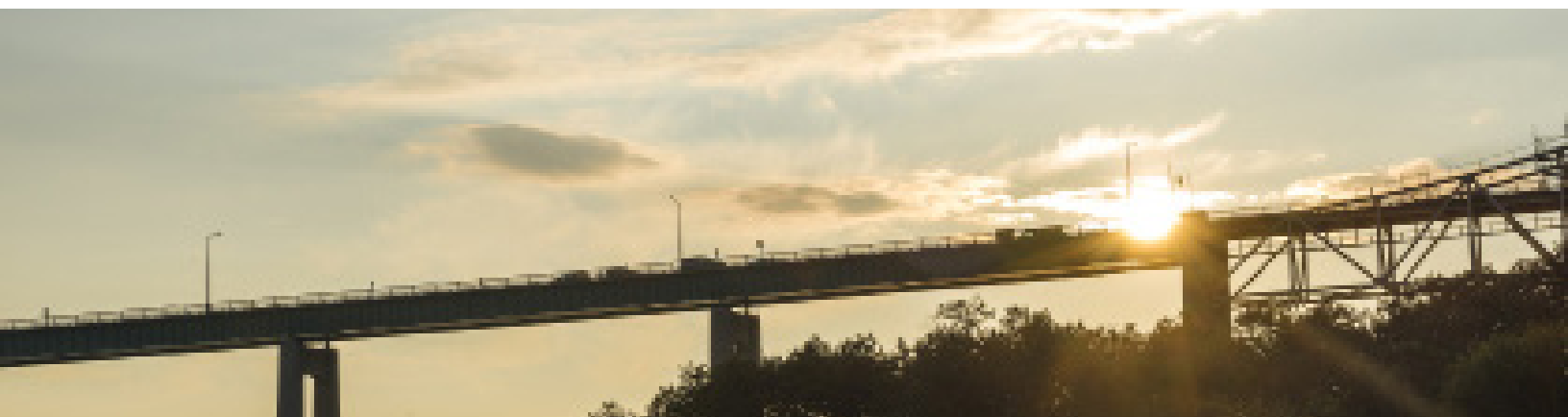
The milestones' timelines are identified as:

- ST (short-term, expected to be completed in fiscal 2024-25);
- MT (medium-term, expected within the first three years of planning period);
- LT (expected to occur over the five-year period, and beyond); and,
- All (recurring on a yearly basis throughout the planning period and beyond).

### SUSTAIN ASSETS, INFRASTRUCTURE AND OPERATIONS

<b>Objective: Maintain the stewardship over the quality of FBCL's assets</b>		
<b>Outcome</b> Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Use internal and external capital funding judiciously to extract highest value for Canadians</li> <li>• Develop and implement detailed project plans</li> <li>• Complete annual bridge inspections</li> <li>• Expand Asset Management Program</li> </ul>	<b>Milestones</b> Execute vital BWB & TIB Rehabilitation works (ST)  Completion of planned significant infrastructure work, as detailed by bridge inspections (All)  Submit annual bridge inspection reports to Transport Canada (All)  Advance the Asset Management Program (LT)
<b>Objective: Delivering optimal traffic flow through appropriate levels of service</b>		
<b>Outcome</b> Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's)	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Implementation of FBCL's ESG Framework focusing on sustainable development initiatives that reduce environmental impacts, promotes diversity and inclusion, and strengthens governance</li> </ul>	<b>Milestones</b> Achieve Rick Hansen Foundation Accessibility Certification (RHFAC) (LT)  Implement recommendations from the climate change impact assessment (LT)  Complete the stormwater master plan at BWB (MT)

<b>Objective: Delivering optimal traffic flow through appropriate levels of service</b>		
<b>Outcome</b> Traffic flow is improved and reduces idling time	<b>Strategies</b> <ul style="list-style-type: none"> <li>Use of new toll collection system functionalities to help alleviate bottlenecks</li> </ul>	<b>Milestones</b> Update toll rate strategy focused on ConneXion program enhancement (MT)
<b>Outcome</b> Partner and stakeholder relationships are fortified and portfolio integration is expanded	<b>Strategies</b> <ul style="list-style-type: none"> <li>Proactively engage partners and stakeholders to discuss mutually beneficial objectives</li> </ul>	<b>Milestones</b> Align capital rehabilitation work at BWB and TIB with partners (ST)  Review of Smart Corridor Concept (MT)  Support establishment of CBSA efficiencies (LT)  Streamline operations where feasible across the portfolio (All)
<b>Objective: Bolster portfolio health and safety</b>		
<b>Outcome</b> Workforce health and safety is safeguarded	<b>Strategies</b> <ul style="list-style-type: none"> <li>Enhance the comprehensive health and safety program</li> </ul>	<b>Milestones</b> Implement priority health and safety elements of the health and safety program (MT)



## ENSURING ADAPTABLE SCALABILITY

<b>Objective: Prioritizing risk</b>		
<p><b>Outcome</b> Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's)</p>	<p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>Implementation of FBCL's ESG Framework focusing on sustainable development initiatives that reduce environmental impacts, promotes diversity and inclusion, and strengthens governance</li> </ul>	<p><b>Milestones</b></p> <p>Retrofit and reuse existing buildings where safe and viable during new development using sustainable materials (LT)</p> <p>Aspire to a carbon reduction by 2030, and net zero by 2050 (LT)</p> <p>Complete TCFD disclosure requirements in the Annual Report (ST)</p> <p>Maintain governance system in compliance with FAA (All)</p> <p>Maintain zero fraud, corruption and bribery (All)</p>
<b>Objective: Optimizing business operations</b>		
<p><b>Outcome</b> Technological infrastructure is stable and secure</p>	<p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>Implement and monitor the cybersecurity and IT action plans</li> </ul>	<p><b>Milestones</b></p> <p>Maintain secure systems and infrastructure (All)</p> <p>Continue successful testing of IT network resiliency (All)</p>
<p><b>Outcome</b> Partner and stakeholder relationships are fortified and portfolio integration is expanded</p>	<p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>Proactively engage partners and stakeholders to discuss mutually beneficial objectives</li> </ul>	<p><b>Milestones</b></p> <p>Establish long-term strategy for SIBC (LT)</p>
<p><b>Outcome</b> Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's)</p>	<p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>Work alongside Government of Canada to continue discussions on Seaway litigation</li> </ul>	<p><b>Milestones</b></p> <p>Advancement of Reconciliation efforts (All)</p>

<b>Objective: Optimizing business operations</b>		
<b>Outcome</b> Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient	<b>Strategies</b> <ul style="list-style-type: none"> <li>- Complete annual bridge inspections</li> <li>- Develop and implement detailed project plans</li> <li>- Seek funding opportunities for required capital and maintenance projects that cannot be internally funded</li> </ul>	<b>Milestones</b> <p>Execute vital BWB Rehabilitation works (ST)</p> <p>Completion of planned significant infrastructure work, as detailed by bridge inspections (All)</p> <p>Complete required TIB maintenance repairs (ST)</p> <p>Submit annual bridge inspection reports to Transport Canada (All)</p> <p>Initiate numerous projects designed to improve commercial traffic flow at BWB, SSM, and TIB, if funded (LT)</p>

## OPTIMIZE FINANCIAL SUSTAINABILITY

<b>Objective: Diversify revenue and growth</b>		
<b>Outcome</b> FBCL is financially sustainable	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Apply for government programs that will allow for revenue diversification and growth through expanded infrastructure options</li> <li>• Use of new toll collection system functionalities</li> </ul>	<b>Milestones</b> <p>Submission of funding applications where applicable (All)</p> <p>Update toll rate strategy focused on ConneXion program enhancement (All)</p>
<b>Objective: Control of robust financial operations</b>		
<b>Outcome</b> FBCL is financially sustainable	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Continue active monitoring with partners of internal and consolidated budgets and forecasts with necessary adjustments</li> </ul>	<b>Milestones</b> <p>Review actual to budget financial information quarterly and annually (All)</p> <p>Renew 25- and 40-year capital plans (MT)</p>
<b>Objective: Solidify capital and debt plans</b>		
<b>Outcome</b> FBCL is financially sustainable	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Continue prudence over debt facilities</li> </ul>	<b>Milestones</b> <p>Complete bond repayment schedule in 2027 (MT)</p> <p>Continue achievement of positive S&amp;P Global Ratings debt rating (ST &amp; MT)</p>

<b>Objective: Solidify capital and debt plans</b>		
<b>Outcome</b> Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's)	<b>Strategies</b> <ul style="list-style-type: none"> <li>Work alongside Government of Canada to continue discussions on Seaway litigation</li> </ul>	<b>Milestones</b> Advancement of reconciliation efforts on Seaway litigation (LT)
<b>Outcome</b> Partner and stakeholder relationships are fortified and portfolio integration is expanded	<b>Strategies</b> <ul style="list-style-type: none"> <li>Identification of portfolio-wide project savings</li> </ul>	<b>Milestones</b> Implementation of significant portfolio-wide cost savings project (MT)

## NURTURE EXCELLENCE IN PEOPLE

<b>Objective: Support employee development and diversity and enhance corporate citizenship</b>		
<b>Outcome</b> A qualified workforce is attracted and retained	<b>Strategies</b> <ul style="list-style-type: none"> <li>Develop an employee engagement action plan based on annual employee survey results</li> </ul>	<b>Milestones</b> Maintain strong results from annual employee surveys (All)  Create succession plans for critical roles (ST)  Enhance opportunities for cross-portfolio skills and practices exchanges (All)
<b>Outcome</b> Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's)	<b>Strategies</b> <ul style="list-style-type: none"> <li>Implementation of FBCL's ESG Framework focusing on sustainable development initiatives that reduce environmental impacts, promotes diversity and inclusion, and strengthens governance</li> </ul>	<b>Milestones</b> Invest in developing women employees in leadership roles and promote initiatives that support equality, diversity, and inclusion (All)  Enhance baseline analysis of Black, Indigenous, People of Colour (BIPOC) and other HR metrics (All)  Implementation of meaningful reconciliation initiatives (All)
<b>Objective: Maintain community engagement opportunities</b>		
<b>Outcome</b> Partner and stakeholder relationships are fortified and portfolio integration is expanded	<b>Strategies</b> <ul style="list-style-type: none"> <li>Engage in Community ConneXion activities to assist not-for-profits in host communities</li> </ul>	<b>Milestones</b> Continue Community ConneXion involvement (All)



# RISK MANAGEMENT

## Our Risk Profile

The Corporation’s risk profile encompasses sixteen (16) independently monitored risks which are regularly managed and adapted in response to market and environmental changes. As of November 2023, our risk profile is as follows with risk levels considered to be inherent risks:

▼: Critical ▲: High ■: Medium ●: Low ↔: Stable ↑: Increasing Risk ↓: Declining Risk

<b>Financial Sustainability</b>	▲ ↑	Medium and long-range capital requirements exceed the revenue collection potential for bridge portfolio and facility infrastructure. Traffic volumes are still recovering to reach pre-pandemic levels.
<b>Funding of SIBC</b>	▲ ↑	SIBC faces high financial exposure due to toll-exempt passage and the absence of a long-term agreement on partnership funding. We are engaged in ongoing discussions with the Government of Canada regarding funding options for SIBC, including a cyclical review of tolls and other revenue generation methods.
<b>Cybersecurity</b>	■ ↑	Maintaining data integrity and security is crucial for informed decision-making. We have heightened awareness around data breaches and ransomware. A comprehensive cybersecurity action plan has been finalized and is in the process of deployment.
<b>External Forces</b>	■ ↑	Market supply and demand dynamics have impacted our traffic volumes. Potential changes due to local, provincial/state and national election outcomes in both countries could also affect FBCL.

<b>Public and Asset Security</b>	■ ↔	Our bridge portfolio remains secure against misuse and threats, though risks persist due to occasional port running events and mental health issues at crossings. We maintain robust international bridges security plans, high-alert security protocols, enhanced CCTV coverage in restricted areas, and a dedicated team working with local law enforcement 24/7.
<b>Organizational</b>	■ ↔	COVID-19 severely impacted Seaway International Bridge Corporation resources. FBCL continues collaborating closely with Transport Canada and the Great Lakes Saint Lawrence Seaway Development Corporation (U.S.).
<b>People Safety</b>	■ ↔	Employee safety training is prioritized at FBCL, with comprehensive emergency action plans in place. We manage risks to personnel through various policies and adapt to local public health advisories.
<b>Asset Management</b>	■ ↔	FBCL is implementing new technologies to efficiently build an accurate asset management plan. The task of forecasting long-term capital changes and their associated funding needs surpasses our current planned capacity.
<b>Workforce Management</b>	● ↑	While the overall risk remains low, the post-pandemic recruitment landscape has presented some challenges for FBCL.
<b>Reputation</b>	● ↑	The risk to our reputation remains low, yet there has been an increase in media mentions due to ongoing capital construction projects.
<b>Environmental, Social, and Governance</b>	● ↑	Risk remains low. As we continue to develop our ESG action plan, we are identifying, assessing and monitoring new risks in alignment with the Corporation's mandate and objectives.
<b>Technology</b>	● ↔	Relying on in-house solutions increases the challenge of obtaining support. Our previous technology, particularly for toll collection, proved unreliable before the deployment of the new system in the second quarter.
<b>Fraud</b>	● ↔	With a decrease in cash intake during the pandemic, we have intensified fraud prevention training for employees and strengthened our internal audit plans to mitigate risk.
<b>Partnerships / Stakeholders</b>	● ↔	The risk in this area remains low, reflecting stable and effective engagement with our partners and stakeholders.
<b>Competition</b>	● ↔	Competition is a new area of risk for FBCL, but it currently remains low.
<b>Infrastructure</b>	● ↔	The risk associated with infrastructure remains low. As we formulate our ESG action plan, we are identifying, assessing, and monitoring risks pertinent to the Corporation's mandate and key deliverables.



# FINANCIAL OVERVIEW

## Current Situation

FBCL's goal is to generate adequate revenue to cover its daily operations, carry out a risk-based asset management program, and make required payments on its legacy debt. At the same time, the Corporation is also required to build fiscal surpluses to responsibly address the present and future major capital requirements of the bridges, approaches, and facilities. The effects of COVID-19 had a significant impact on FBCL's cash flow, where during the pandemic FBCL depleted the totality of its accrued financial resources which was supposed to fund many aspects of the capital plan.

Since 2020, FBCL has had to rely on operating funding provided by the Government of Canada in order to maintain the appropriate level of 24/7 accessibility, safety, and security of its four crossings that the people of Canada expect and deserve. A significant portion of this funding has gone to support the SIB crossing in Cornwall, as the Crown-mandated free passage for the Mohawk community traffic there is now greatly surpassing pre-pandemic levels. This is resulting in no opportunity for expense savings as the bridge is operating at full capacity despite only receiving a fraction of paying traffic revenue. In fact, costs are elevating to be able to process the increasing number of crossings at this location. In 2022-23, the U.S. Government funded the SIBC deficit, in 2020-21, 2021-22, and 2023-24, the Canadian Government funded the SIBC deficit and in 2024-25, the Government of Canada will also fund the SIBC deficit.

In the first three years of the pandemic, FBCL had been able to maintain 100% of international bridge operations, complete critical capital projects, and stay on top of debt payments. However, a substantial amount of capital projects and preventative maintenance works have been delayed by three years or more as sources of funds were reallocated to operations to offset severe revenue gaps. This represents a severe opportunity cost and risk for FBCL and Canada. Aging infrastructure that cannot be maintained in a state of good repair significantly impacts the asset longitude and serviceability, as highlighted by FBCL's Asset Management Plan.



With every repair deferred, the magnitude of the damage grows exponentially. When combined with dramatic inflation and escalation of costs in the construction industry, the effects are far-reaching in the long-term capital plan. The Government allocated \$27.3 million of COVID-19 relief funds over three years starting in fiscal 2022-23 to enable FBCL to complete immediate significant capital projects

## Cash Flow Projection

Now that the world is nearing the fourth year since the start of the pandemic, traffic volumes have started to rebound but remain significantly below pre-pandemic volumes. As at March 31, 2023, FBCL had \$14M of cash, mostly obtained from a \$10M loan in February 2022 for which only \$0.4M has been repaid. Thus FBCL's cash and investment reserve is approximately \$4M which is considerably below FBCL's pre-pandemic reserve of \$25M. The \$4M is only sufficient to pay one biannual bond payment with a remaining four years to full reimbursement. By the end of the planning period, cash reserves are expected to decrease to approximately \$7M. With increasing capital costs due to the aging of 5 out of 10 bridges, FBCL will unlikely be in a position to rebuild its reserve until well beyond the planning period.

## Operating Budget

FBCL revenues are derived from a combination of toll collection, lease revenue, and other revenue sources (including investment income) with the primary revenue driver being toll traffic volumes. There is a direct correlation between tolls revenues and lease revenues which largely stem from Duty Free shops.

**Commercial:** For the BWB location, commercial volumes are expected to remain depressed in the coming years, as a result of the weakening economy the country is experiencing. With the expected opening of the GHIB in 2025-26, further reduced commercial traffic is expected, as this competition will considerably shift traffic from FBCL's BWB location. Commercial volumes for the remaining three bridge locations are expected to remain consistent with the recent past, highlighted by a change in client mix primarily at the Sault Ste. Marie and Cornwall locations, with reduced commercial traffic. The economic outlook in Canada and the United States indicates a continued downturn, therefore the demand for consumer goods movement drops with demand, and it is yet unknown as to how long this will last.

**Passenger:** Across the portfolio, the Corporation has seen considerable variability in the resumption of passenger traffic across the Canada-US border. One location is expected to be within 10% of pre-pandemic volumes. However the three other locations are only counting on being within 30% of pre-pandemic volumes for the duration of the first two years of the plan. By the third year of this plan, traffic across the portfolio is estimated to be within 20% of pre-pandemic volumes. This is forecasted to be the new normal for cross-border traffic at these locations. This idea of a new normal was highlighted after the September 11th attacks, which closed borders for only a matter of hours, but had a lasting negative effect. The COVID-19 induced border restrictions lasted more than 3 years, and so a similar effect is nearly guaranteed. With the opening of the GHIB in the next two years, a sustained decrease in volumes is expected to affect FBCL's BWB.



**SIBC:** The operating government funding component in this Corporate Plan relates to the SIB crossing in Cornwall. Crown-mandated free passage to Indigenous populations now accounts for almost 80% of all crossings at this location. It had jumped to as high as over 90% during the pandemic border restrictions. This crossing will require funds to simply keep operations functioning for the foreseeable future due to the growing loss of permanent paying customers. Other external factors affecting volumes include the cost of inflation and the increased maintenance relating to the aging of the South Channel Bridge. In the immediate term, \$1.0 million of government funding for fiscal 2024-25 has been approved. In order for the crossing to break even operationally with no major maintenance or capital investments, tolls would have to be increased by nearly \$2.50 per passenger vehicle and \$15.75 based on a five axle commercial truck (equivalent to a 70% increase) over the planning period. This price burden is unfair to levy solely against the 20%, or so, of traffic that crosses this bridge by paying tolls. Given the geographical location of the bridge, increasing the toll rate by 70% would have a severe negative effect on the traffic volumes as passenger volumes account for the majority of the revenues. A significant increase in toll rates, such as this, would have an important negative economic impact to Akwesasne businesses on Cornwall Island, which is not in the best interests of furthering Reconciliation efforts by this Corporation or the Government of Canada.

**Operating expenses:** Expenses for the past four years have been reduced, as discretionary spending has been all but halted. However, operation of FBCL's portfolio of bridges requires 24/7 coverage and proper maintenance and upkeep of the structures. Staff, particularly in maintenance departments, across the portfolio of bridges needed to be brought back to work in 2023-24 and retained thereafter in order to engage in routine maintenance and catch up on maintenance projects to ensure FBCL's assets do not incur additional unattended wear and tear.

## Capital Expenditures

The Corporation's Asset Management Plan continues to define the required service levels, scoping in all significant infrastructure assets. This plan is providing significant insight into FBCL's assets, their expected lives, and refining the maintenance activities that are required on each asset, as well as emphasizing the future capital needs that are necessary to maintain these important bi-national assets.



## SENSITIVITY ANALYSIS

In preparing the operating budget, the Corporation makes use of certain forward-looking assumptions. These forward-looking assumptions contain information that is generally stated to be expected or projected by FBCL. They involve known and unknown risks, uncertainties and other factors, which may cause the actual results and performance of the Corporation to be materially different from any future results and performance expressed or implied by such forward-looking information. The following are the assumptions that have the most significant impact on the Corporation's operating budget:

- **Passenger volume assumptions:** Since the onset of COVID restrictions and subsequent removal of such restrictions, passenger volumes have been dramatically affected. Initially, bridge crossings saw up to a 95% decrease in volumes. Traffic levels are currently rebounding but are expected to be permanently below pre-pandemic volumes. TIIB volume exceeds 90% of pre-pandemic levels, while the remaining SIB, SSMB, and BWB locations are expected to only start to reach 85% within the next two to three years. A 10% decrease/increase in passenger volumes would result in a decrease/increase of revenues of \$1.3 million in the first year of this plan.
- **Commercial volume assumptions:** This Corporate Plan incorporates a decline in commercial volumes due to economic indicators and the opening of the GHIB which are budgeted between 7% to 13%. A 10% decrease/increase in commercial volumes would result in a decrease/increase of revenues of \$2.6 million in the first year of this plan.
- **Exchange rate:** Over the past five years (April 2018 to October 2023), the exchange rate has varied by \$0.24 (as low as 1.20 and as high as 1.45). With both the TIIB and SSMIB locations operating primarily in U.S. dollars, fluctuations in rates have a direct impact on both toll revenues and expenditures. This Corporate Plan incorporates a 1.4 exchange rate. A \$0.10 change in the exchange rate results would have a negligible impact on net income. However both revenues and expenses would increase/decrease in a similar fashion.
- **Inflation:** Annual inflation rates have historically been between 1% & 3%. However, rates since 2020 have risen to as high as 9% and are currently above 3% at the end of September 2023. This directly affects the cost of goods being purchased. This Corporate Plan incorporates inflation rates between 2% and 4%, annually, with further detail provided in the annexes to this plan. A 1% decrease/increase in inflation would result in a decrease/ increase in expenses of \$0.2 million.
- **Salaries and wages:** Salaries and wages represent over 50% of the operating budget expenses. The cost of living is directly impacted by inflation, which can lead to increased salary costs and therefore assumptions used range between 2% to 4%. Where possible and known, union negotiated rates of increase have been incorporated. A 1% decrease/increase in the expected salaries and wages would result in a compounding annual decrease/increase in expenses of \$0.2 million.


Over the planning period, capital acquisitions are budgeted at \$60.2 million. A 1% increase or decrease in inflation would result in a \$0.6 million variance.

## Capital Budget

The effects of the significant decrease in passenger traffic due to the pandemic have critically impacted FBCL's capital spending ability. Half of FBCL's major bridge structures are near or exceeding the 75-year lifespan for which they were built. With the depletion of FBCL's fiscal reserves, and the consecutive years of delayed capital infrastructure projects, FBCL is facing a clear and defined deficit in funding. A decade of cuts at the SIB related to lower toll revenues as Crown-mandated free passage has strongly overtaken paying traffic and has also placed the 64-year-old South Channel Bridge in a major capital deficit. Additionally, the capital needs of the 85-year-old TIIB are exponential. In support of the Corporation's mandate and overall impact of cross-border travel restrictions, the Government allocated \$16.9M of funding for fiscal 2024-25 to enable FBCL to invest in capital infrastructure projects stabilizing the short-term financial condition of the Corporation. In fiscal 2024-25, internally funded projects are \$2.5M and consist primarily of scheduled equipment replacements and potential property acquisition. Over the course of the planning period, internally funded projects totalling \$43.5M represent a base level of operability and projects that cannot be deferred any longer (for which funding assistance may be required). In order to make a true advancement in sustainable infrastructure, FBCL anticipates making future funding requests.

Projects for which approved Government funding will be utilized at multiple locations include:

- Blue Water Bridge:
  - rehabilitation and deck works on the second span of the BWB;
  - plaza improvements consisting primarily of building repairs;
- Seaway International Bridge:
  - bridge safety;
  - replacement of critical equipment; and
- Thousand Islands International Bridge:
  - bridge rehabilitation.



In addition, FBCL has provided submissions for capital funding to the NTCF. These projects, if approved, will address important elements in the facilities and infrastructure capital plan that will lower future costs of replacement due to escalation, improve environmental performance, maintain safety and security, ease the flow of goods between Canada and the U.S., and take advantage of innovation in order to improve the efficiency of Canada's Ports of Entry. The projects have not yet been approved nor rejected at the time this Corporate Plan has been prepared. FBCL continues to discuss these projects with Transport Canada in order to determine whether funding will be available via NTCF or other funding mechanisms.

## Debt Review

The Corporation has existing financing arrangements in place, which largely funded portions of past major capital projects. Pursuant to the *Economic Action Plan 2013, No. 2*, the maximum FBCL can borrow is \$130.0M, subject to Minister of Finance approval.

FBCL's \$110.0M worth of bonds are budgeted to be fully paid by July 2027, based on continued biannual payments. Over the course of the next five fiscal years, FBCL will still be required to make \$31M (principal plus interest) worth of payments to satisfy the bondholders. This debt was assumed by the amalgamated entity of FBCL from the predecessor organization, The Blue Water Bridge Authority, and requires almost \$9.0M worth of payments every year. These payments inhibit FBCL's ability to fund significant capital projects on its own.

In 2022, FBCL shouldered much of its pandemic-induced cash requirements on itself by accessing a credit facility of \$10M. The repayment of this credit facility will be amortized over a number of years, but was originally accessed in order to service debt payments on bonds for only the 2022-23 fiscal year. Expenditure savings over the course of the 2022-23 and 2023-24 fiscal years is enabling FBCL to stretch the use of the credit facility. No further credit facilities are currently being pursued by the Corporation.

The Corporation currently has no intention of entering into any new capitalized leases within the forthcoming 5-year corporate plan that require approval in accordance with Section 127(3) of the FAA and the associated Crown Corporation General Regulations, 1995.

## Ongoing Operational Priorities

International bridges are complex operations that feature the collection of tolls, traffic flow management, ongoing asset inspection and maintenance functions, capital renewal projects, provision of facilities and fulsome support to CBSA and CFIA and activities associated with leases to third parties.

A number of policy and operational issues are being tracked internally to ensure the most effective and efficient behaviour and to reduce risk. FBCL is continuously reviewing and measuring each of these components across the portfolio in order to implement best practices, and improve the delivery of the mandate. These ongoing operational areas include but are not limited to:

- Continued operational recovery from the COVID-19 pandemic;
- Quality customer service;
- Strong and secure Information Technology solutions;
- Improvement to bridge facilities;
- Fulsome implementation of an ESG program, complete with TCFD annual reporting;
- Indigenous reconciliation;

- Environmental sustainability;
- Financial self-reliance for daily operations;
- Financial planning for the lifespan (and eventual replacement) of infrastructure;
- Discussion with partners to improve the application of Section 6 of the Customs Act with respect to funded facilities for Government Agencies;
- Advancement of women in leadership positions;
- Positive relationships with stakeholders; and,
- Sustaining intrinsic engagement of employees.

This list only begins to identify the multitude of operational areas that the Corporation monitors in a fluid and on-going manner.



# Annexes

1. Ministerial Direction
2. Corporate Governance Structure
3. Planned Results
4. Chief Executive Officer Results Commitment
5. Chief Financial Officer Attestation
6. Financial Statements
7. Borrowing Plan
8. Risk Management
9. Compliance with Legislative and Policy Requirements
10. Government Priorities and Direction
11. Abbreviations
12. Acknowledgements

# Ministerial Direction

The Minister of Transport issued a mandate letter (see a copy of this letter on the next page) to FBCL on September 6, 2022. The letter reiterates a commitment to ensuring Canada's transportation system is safe, secure, efficient and environmentally responsible. It also reiterates that collaboration remains essential to advancing the government's priorities and policy objectives by:

- Continuing to follow directions on COVID-19 protocols;
- Proactively mitigate and respond to emerging incidents and hazards, including cyber security threats;
- Fight climate changes by seeking opportunities to advance measures that support Canada's transition to net zero;
- Ensure goods and people move efficiently by reducing bottlenecks that have an impact on climate changes;
- Walk faster and farther along the road to reconciliation particularly through meaningful partnership and collaboration with local Indigenous communities;
- Embark on strategies that uphold the principles of equity, diversity and inclusion;
- Remain committed to open, transparent, and merit-based selection processes to attract qualified candidates for governance and leadership positions;
- Present short, medium and long-term objectives in corporate plans and annual reports; and
- Ensure ongoing compliance, both for FBCL and for themselves, with relevant legislation, Treasury Board policies, Governor in Council and ministerial directives.

The FBCL also operates in accordance with the guidance expressed in the Prime Minister's to the Minister of Transport Mandate Letter dated December 16, 2021. Refer to the section below entitled "Government Priorities and Direction" for more information on how FBCL operates in accordance with the Mandate Letter.

The Minister of Transport's Mandate Letter from the Prime Minister can be found at <https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-transport-mandate-letter>



## Minister of Transport mandate letter to FBCL – September 6, 2022

Minister of Transport



Ministre des Transports

Ottawa, Canada K1A-0S6

September 6, 2022

Pascale Daigneault  
Chairperson of the Board of Directors  
Federal Bridge Corporation Limited  
[pdaigneault@federalbridge.ca](mailto:pdaigneault@federalbridge.ca)

Dear Pascale Daigneault:

As you know, following the 2021 general election, I had the honour of being reappointed the Minister of Transport. My priorities have been outlined in the mandate letter the Prime Minister shared with me in December 2021, and today I write to you to set out my expectations as to how The Federal Bridge Corporation Limited (FBCL) will help advance these priorities.

As the Minister accountable to Parliament for FBCL, I am committed to continuing our productive relationship to ensure that Canada's transportation system is safe, secure, efficient, and environmentally responsible. I recognise that the pandemic mitigation measures such as cross-border travel restrictions dramatically reduced crossings at FBCL bridges, and thus FBCL's toll revenue and operations. This is why the Government allocated \$30,607,000 of COVID-19 relief funding over three years to enable FBCL to support the continued safe operation of the bridges within its portfolio.

My priority upon my reappointment as the Minister of Transport was to enforce vaccination requirements across the federally regulated transportation sector. Thank you for the commitment you have demonstrated in developing and implementing your corporation's vaccination policy. Together, we mitigated the full impact of infection and severity of illness for travellers and workers in the transportation sector, and increased vaccine uptake, providing broader societal protection. As the COVID situation unfolds, we continue to adjust our measures accordingly, as we did in June of this year. I appreciate the corporation's ongoing collaboration as our response to COVID-19 continues to evolve as we learn more about this virus.

Ensuring goods and people can move efficiently throughout our country with robust and reliable supply chains and transportation systems is another key priority further reiterated in Budget 2022. The continued operation of FBCL bridges is important to maintaining highly integrated supply chains and vital to the cross-border movement of essential goods and services. I trust that the corporation will strive to reduce and prevent bottlenecks in Canada's transportation network and ease traffic flow between Canada and the United States. I encourage you to work with my officials to ensure

FBCL continues to be prepared to proactively mitigate and respond to emerging incidents and hazards, including cyber security threats.

Fighting climate change is a cornerstone of the government's plan to rebuild the economy, create middle-class jobs, and ensure Canadian industry remains competitive. The *Canadian Net-Zero Emissions Accountability Act* has legislated Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050. I expect FBCL to seek opportunities to advance measures that support Canada's transition to net-zero, and consider targets related to this priority throughout your operations.

As part of the government's strategy to combat climate change, Budget 2021 announced that Canada's Crown corporations would demonstrate climate leadership by adopting the *Task Force on Climate-related Financial Disclosures* standards, or more rigorous and acceptable standards. I remind FBCL to start reporting its climate-related financial risks by 2024.

Another pillar of the government's plan is to continue to address the profound systemic inequities and disparities that remain present in the core fabric of our society. I expect that FBCL will join us as we walk faster and farther along the road to reconciliation, particularly through meaningful partnership and collaboration with local Indigenous communities. This should include, but not be limited to, consulting Indigenous communities where appropriate and incorporating Indigenous perspectives into organizational operations and planning processes.

Diversity and equity within FBCL's workforce will improve its ability to deliver on all its objectives, and I expect that as FBCL embarks on any hiring, it implements outreach and recruitment strategies that uphold the principles of equity, diversity, and inclusion. I trust that FBCL will also continue to ensure that it is doing its part, per the *Accessible Canada Act*, to help make the transportation system more accessible for persons with disabilities.

I also remain committed to open, transparent, and merit-based selection processes to attract qualified candidates for governance and leadership positions in the Transport portfolio. Candidates should also reflect Canada's diversity in terms of linguistic, regional and employment equity groups (women, Indigenous peoples, persons with disabilities and members of visible minorities), as well as members of ethnic and cultural groups. As Chairperson, you will be invited to participate in these processes for your organization, which will inform my ultimate appointment recommendations to the Governor in Council.

I expect that your short-, medium-, and long-term objectives as they relate to the government's priorities in this letter are clearly presented in your upcoming corporate plans and progress to achieving those objectives is reported in your subsequent annual reports. I also ask for your support in ensuring that, to the extent that it is within FBCL's control, future corporate plans are prepared sufficiently in advance, with the best information available at the time, to enable timely review and approval.

It is critical that the performance objectives of the corporation, Board and CEO flow within a consistent storyline. I ask that the measures you develop to assess your CEO's performance conform to best practices concerning the development of specific, measurable objectives, based on the observable behaviours in areas where your CEO can exercise sufficient influence to achieve the desired outcomes. The rationale included for the overall rating of your CEO should clearly identify why your Board is providing the rating and which performance objectives were weighed most heavily when arriving at the determination.

As always, the legal, fiduciary, and ethical obligations of public office holders remain. All appointees should abide by the principles found in the Prime Minister's statement on Open and Accountable Government. All boards should ensure ongoing compliance, both for their organization and for themselves, with relevant legislation, Treasury Board policies, Governor in Council and ministerial directives.

It is an honour to serve Canadians as Minister of Transport and a privilege to be able to work with key partners such as FBCL.

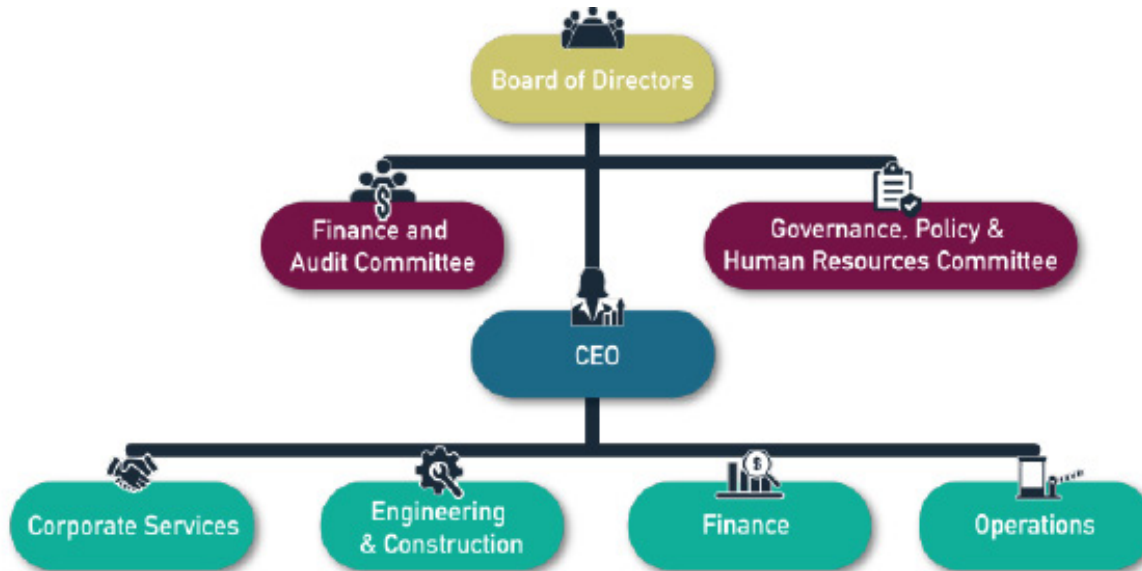
Sincerely,

A handwritten signature in black ink, appearing to read "Omar Alhabra", written in a cursive style.

The Honourable Omar Alhabra, P.C., M.P.  
Minister of Transport

# Corporate Governance Structure

As a Crown corporation, FBCL is governed by a Board of Directors (“the Board”) and is accountable to Parliament through the Minister of Transport. The Board is composed of seven directors, including the Chairperson and the Chief Executive Officer (CEO). The Chairperson and the CEO are appointed by the Governor in Council, in accordance with section 105 of the *FAA*. The directors, other than the Chairperson and the CEO, are appointed by the Minister with the approval of the Governor in Council.



Bridge operations for the BWB and the SIB are administered directly or through a subsidiary by FBCL whereas FBCL provides a liaison function through local bridge authorities for the operations of SSMIB and TIIB.

## FBCL Board Role

The Board is responsible for the oversight and strategic direction of the Corporation. It sets corporate objectives and direction, ensures good governance, monitors financial performance, approves budgets and financial statements, approves policies and by-laws, as well as ensures that risks are identified and managed. Eight meetings of the Board of Directors are typically held in each fiscal period.

The Board is currently supported in its role and responsibilities by the legally required Finance and Audit Committee as well as by a Governance, Policy and Human Resources Committee.

The Board has established a Charter for each Standing Committee and operating guidelines that govern the operations of all committees. The Board may establish other committees as required to assist the Board in meeting its responsibilities. Committee membership is subject to change and presently serving committee members are listed on the Corporation’s website.

In accordance with section 113.1 (1) of the *FAA*, the Board of Directors holds an annual public meeting each year, which is open to the public, to highlight the Corporation’s activities over the past year, as well as current and future initiatives. FBCL’s most recent annual public meeting was held both virtually and in person on October 19, 2023, in Point Edward, Ontario. The presentation from this meeting is posted on [FBCL’s website](#).

## Board of Directors Membership

Position	Location	OIC Appt. Date	Term
<b>Pascale Daigneault</b> Chairperson	Sarnia, Ontario	May 9, 2021	5 Years
<b>Marie-Jacqueline Saint-Fleur</b> Vice-Chairperson	Montreal, Québec	June 6, 2018 <sub>1</sub>	4 Years, overhold
<b>Natalie Kinloch</b> Director, Chief Executive Officer	North Glengarry, Ontario	February 1, 2019 <sub>2</sub>	5 Years
<b>John Lopinski</b> Director	Port Colborne, Ontario	February 1, 2022	4 Years
<b>Andrew Travis Seymour</b> Director	Cornwall, Ontario	June 6, 2018 <sub>1</sub>	4 Years, overhold
<b>Rakesh Shreewastav</b> Director	Toronto, Ontario	May 9, 2019 <sub>1</sub>	4 Years, overhold
<b>Vacant seat</b> Director	NA	NA	NA

<sup>1</sup> Denotes that these directors continue to sit on the Board of FBCL. However they are currently in an overhold position or are expiring soon, and the corporation is awaiting appointment of these positions.

<sup>2</sup> The CEO's application for renewal, as supported by the Board of Directors, has been submitted to Transport Canada.

Member attendance records in the most recently completed fiscal period are listed in the Corporation's Annual Report.

## Committees

### FINANCE AND AUDIT COMMITTEE

**Mandate:** As per the duties outlined in the *FAA*, the Finance and Audit Committee provides oversight and makes recommendations to the Board on the standards of integrity and behaviour, the reporting of financial information, management control practises, risk and asset management together with insurance needs.

The Committee is responsible for advising the Board on matters related to financial statements, any internal audit of the Corporation and the annual auditor's report of the Corporation. It is also responsible to review and advise the Board with respect to a special examination, its resulting plans, and reports updates in reference to the Asset Management Program. The Committee performs other functions assigned to it by the Board and they are included in corporate by-laws.

**Membership:** This Committee is composed of three members of the Board who are appointed by the Board on the recommendation of the Board Chair. One of these members is designated by the Board, on the recommendation of the Board Chair, to be the Chair of the Committee. The Board Chair is also a non-voting ex-officio member of the Committee.

## GOVERNANCE, POLICY AND HUMAN RESOURCES COMMITTEE

**Mandate:** This Committee assists the Board in overseeing the Corporation's governance, board policy infrastructure and human resources. The role of the Committee is to support the Board in the discharge of its responsibilities by performing due diligence on matters within its area of responsibility and includes ESG matters. Its function is not to approve but make recommendations for approval by the Board.

**Membership:** This Committee is composed of three members of the Board who are appointed by the Board on the recommendation of the Board Chair. One of these members is designated by the Board, on the recommendation of the Board Chair, to be the Chair of the Committee. As with the Finance and Audit Committee, the Board Chair is also a non-voting ex-officio member of the Committee.

## AUDIT REGIME

The audit regime consists of external and internal audits.

The external audit regime requires the OAG to conduct an annual audit of the consolidated financial statements to verify that they fairly reflect the operating results and financial position, and that the transactions have been carried out in accordance with International Financial Reporting Standards (IFRS) and Part X of the *FAA*. The OAG also conducts a special examination at least once every ten years to confirm that assets are being safeguarded and controlled; that financial, human and physical resources are being managed efficiently; and that operations are being conducted effectively. Such an examination was completed in June 2022, with very positive results, which are available on FBCL's website.

The internal audit regime aims to strengthen accountability, risk management, resource stewardship, and good governance by ensuring that internal audit is a key governance component. Risk-based, multi-year audit plans are developed and reviewed annually to identify key risk areas common to all bridge locations. The current audit plan focuses on internal policies, cash management and cybersecurity.

## Senior Executives

The following individuals hold key senior executive positions within the Corporation:

Name	Title
Richard Iglinski	Chief Financial Officer
Thye Lee	Vice-President, Engineering and Construction
Rémi Paquette	Chief Corporate Services Officer
Karen Richards	Chief Operating Officer

Annual compensation detail for key management personnel is available in the Corporation's Annual Reports.

## Bridge Operations

The corporate operational structure allows FBCL to manage all bridges as a portfolio, sharing staff, expertise, support infrastructure, revenues, expenses and best practices through a common administrative framework for the collective benefit of the four assets.

<b>FBCL Ownership</b>	<b>Sault Ste. Marie International Bridge</b>	<b>Blue Water Bridge</b>	<b>Thousand Islands International Bridge</b>	<b>Seaway International Bridge</b>
	50% of the bridge; 100% of Canadian bridge plaza and port of entry	50% of each of the twin bridges; 100% of Canadian bridge plaza and port of entry	100% Canadian Bridge; 50% Rift Bridges; 100% of Canadian bridge plaza and port of entry	100% North Channel Bridge, 100% of Canadian toll plaza and International Road; 32% South Channel Bridge
<b>International Partner</b>	Michigan Department of Transportation	Michigan Department of Transportation	Thousand Islands Bridge Authority, a New York State <i>Public Authorities Law public</i> benefit corporation	Great Lakes St. Lawrence Seaway Development Corporation (GLS), an agency of the United States Department of Transportation
<b>Bridge Operator</b>	International Bridge Administration, a distinct administrative unit within the Michigan Department of Transportation with delegated authority from Sault Ste. Marie Bridge Authority, a separate legal entity constituted by Michigan Department of Transportation and FBCL	Canadian portion: FBCL; American portion: Michigan Department of Transportation	Thousand Islands Bridge Authority	Seaway International Bridge Corporation Limited, an FBCL subsidiary Canadian Crown corporation
<b>Governance Structure</b>	Eight Directors: four Americans appointed by the Governor of Michigan; four Canadians appointed by FBCL	Canadian portion: FBCL; American portion: Michigan Department of Transportation	U.S. Chair and six Directors appointed by Jefferson County: three Americans and three Canadians (recommended by FBCL)	Eight Directors appointed by FBCL, four Canadians and four Americans (recommended by GLS)

# Planned Results

The following provides an overview of the Corporation's intended results for the future.

The targets' timelines are identified as:

- ST (short-term, expected to be completed in fiscal 2024-25);
- MT (medium-term, expected within the first three years of planning period);
- LT (expected to occur over the five-year period, and beyond); and,
- and All (recurring on a yearly basis throughout the planning period and beyond).

Outcomes	Performance Indicators	Target	Data source and methodology
Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient	Percentage of high-priority projects identified in bridge inspection reports completed on time and on budget	100% (All)	Operational and partner maintenance reporting
	Percentage of capital projects completed on time and on budget	> 90% (All)	Procurement documents and financial records
	Asset inventory and Geographical Information System (GIS) is digitized	100% of imagery (GIS) (LT) 100% of infrastructure inventory at all bridge locations (LT)	Asset Management internal reports
Traffic flow is improved and reduces idling time	Percentage of improvement in significant identified bottlenecks	> 5% increase in use of ConneXion cards (MT)	Internal operational reports
Partner and stakeholder relationships are fortified and portfolio integration is expanded	Number of collaborative projects implemented	≥ 1 annually (All)	Internal project reporting
	Completion of long-term strategy of SIBC	To complete (LT)	Internal reporting
	Maintain level of support provided to the community	> 100 hours (All)	Human Resources reports
	Number of multi-location expense reduction initiatives	≥ 1 annually (All)	Internal reports
	Percentage of priority elements implemented	100% implementation (MT)	Health and safety internal reports



Outcomes	Performance Indicators	Target	Data source and methodology
Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's)	SDG Goal 5: Number of development initiatives regarding women employees in leadership roles	≥ 2 development leadership initiatives directed at women (All)	ESG framework Internal project reporting Annual report Human Resources reports
	SDG Goal 5: Number of development initiatives that support equality, diversity, and inclusion	Diversity (All) <ul style="list-style-type: none"> <li>• Designated groups &gt; 65%</li> <li>• Leadership positions occupied by women &gt; 40%</li> <li>• Bilingual employees &gt; 20%</li> <li>• Gender diversity variance &lt; 10%</li> <li>• Indigenous &gt; 10%</li> <li>• Visible minorities &gt; 8%</li> </ul>	
	SDG Goal 9: Achieve Rick Hansen Foundation Accessibility Certification (RHFAC) Gold	100% of existing BWB buildings and new constructions (LT)	
	SDG Goal 9: % of new or retrofit construction to reuse existing materials where safe and viable during development	100% of infrastructure projects are reviewed and analyzed to identify highest percentage of retrofit and reuse possible (LT)	
	SDG Goal 10: Advancement of reconciliation efforts on Seaway litigation	Per Crown established timeline (All)	
	SDG Goal 10: Number of First Nations initiatives	≥ 5 annually (All)	
	SDG Goals 12 & 13: Carbon reduction targets set	Establish reduction strategies by 2025-26 (MT)	
	SDG Goal 13: Percentage of recommendations from the climate change impact assessment that have been implemented	> 50% (LT)	
	SDG Goal 13: Stormwater master plan at BWB is completed	To complete (MT)	

Outcomes	Performance Indicators	Target	Data source and methodology
Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) - continued from previous page	SDG Goal 16: OAG Special Examination recommendations addressed	100% addressed per established timeline (All)	ESG framework Internal project reporting Annual report Human Resources reports
	SDG Goal 16: Maintain strong internal controls to keep fraud, corruption and bribery non-existent at FBCL	0 instances of fraud, corruption or bribery (All)	
	TCFD reported in 2023-24 Annual Report	Disclosed in 2023-24 Annual Report (ST)	
Technological infrastructure is stable and secure	Number of cybersecurity breaches and events	0 external breaches (All) 0 internal data privacy events (All)	Information technology reporting
	Percentage of IT network uptime	> 99.6% (All)	Information technology reporting
FBCL is financially sustainable	Ensure long term positive cash flow	Operating cash flow > \$10M annually (All)	Annual Audited Consolidated Financial Statements
	Percentage of debt payments made in full and on time	100% (All)	Annual Audited Consolidated Financial Statements
A qualified workforce is attracted and retained	Maintain employee engagement across the organization	Engagement > 80% (All)	Annual employee surveys
	Minimize employee turnover rate	Turnover rate < 15% (All)	Human Resources reports

# Chief Executive Officer Results Commitment

I, Natalie Kinloch, as Chief Executive Officer of The Federal Bridge Corporation Limited, am accountable to the Board of Directors of The Federal Bridge Corporation Limited for the implementation of results described in this Corporate Plan and outlined in this appendix. I verify that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.



January 22, 2024

Natalie Kinloch,  
Chief Executive Officer  
The Federal Bridge Corporation Limited

Date

# Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of The Federal Bridge Corporation Limited, accountable to the Board of Directors of The Federal Bridge Corporation Limited through the Chief Executive Officer, I have reviewed the Corporate Plan, budgets and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

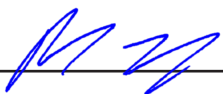
1. The nature and extent of the financial and related information is reasonably described and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed, with the following observation:

The Strategic Issues presented in this Corporate Plan have the potential to be highly disruptive to FBCL business. Prudent budgeting and investment decisions have been made within this Corporate Plan to enable FBCL to mitigate the risks of these issues. Despite this mitigation, there remains a risk that the impact of one or more of such disruptions, should they occur or align in timing, materially impact the assumptions, forecasts and budgets of this Corporate Plan and require future amendments.

3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered.
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the Corporate Plan.
5. The Corporate Plan is compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the Corporate Plan).
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of the parent Crown corporation and its wholly-owned subsidiary, with the following observation:

FBCL presents consolidated budgets and financial statements within its Corporate Plan that includes financial information and assumptions for bridge operations of a subsidiary and American bridge partners. Although the financial information received is validated through qualitative and quantitative processes and internal controls, there remains a budgetary risk related to potential error in forecasting, application of accounting standards and/or omission of information by third parties. Should such a risk materialize, dependent on its magnitude, it could materially impact the assumptions, forecasts and budgets of this Corporate Plan and require future amendments.

In my opinion, the financial information contained in this Corporate Plan is sufficient overall to support decision making.



Richard Iglinski,  
Chief Financial Officer  
The Federal Bridge Corporation Limited

January 22, 2024

Date

# Financial Statements

This Corporate Plan is presented under International Financial Reporting Standards (IFRS). At the time of publication, there are no standards planned for implementation that will have a material effect on the information presented in this plan.

**2023-24 Forecast:** With the removal of travel restrictions between Canada and the United States, passenger volumes have rebounded again this year yet still remain considerably below pre-pandemic volumes, and are below the UNWTO's international tourism statistics of 87% of pre-pandemic levels. During the 2023 bridge maintenance season, the BWB's volumes dropped by as much as 15% in both commercial and passenger volumes. Despite this, consolidated results for the corporation are expected to result in revenue values in excess of the budget. The financial results presented herein are management's best estimates and actual results may differ from forecasted results.

**Budget Outlook:** The financial outlook for the coming 5-year plan has been affected by a combination of permanent revenue reductions and uncertainty over expenditures in the near term. This uncertainty is spurred by the dramatic levels of inflation, construction escalation and higher interest rates currently being borne by the Canadian economy.

Many other varying and significant planning assumptions have been built into the plan presented here, and these are always subject to change, should governments decide to reimpose border restrictions. Given the planning assumptions in place currently, it will take several years to once again start to accumulate cash for its needed capital reserves. With increasing capital costs due to the age of 5 out of 10 bridges, FBCL will unlikely be able to rebuild its reserve until well beyond the planning period.

During the pandemic, the corporation reviewed its spending and significantly reduced operating expenses including staffing levels. While forecasted expenses for 2023-24 are estimated at \$30M as FBCL continued to defer certain expenses, the 2024-25 budget is \$35M, which will allow FBCL to be fully staffed, thus increasing customer experience and reducing idle wait time as well as allowing the corporation to work towards returning to a proactive maintenance plan. The 2024-25 spending is in-line with the pre-pandemic inflation-adjusted operating budget of \$36M (\$31M inflated by 18.26%).

## Financial Planning Factors

When preparing its forecast and budgets, FBCL considers a variety of elements and risks, both financial and non-financial. During the budget preparations, the following assumptions have been applied:

## TRAFFIC VOLUMES:

Again, while volumes have partially rebounded, for four consecutive fiscal years, traffic volumes continue to be significantly weakened. FBCL does not forecast a return to any normal pre-pandemic level of cross-border traffic during the planning period. While improvements over the current levels witnessed in 2023-24 are forecasted, FBCL does not anticipate significant variance in volumes other than at the BWB.

Traffic across borders at international bridge locations is affected by many things. This can include, but is not limited to, foreign exchange rates, industries opening or closing on either side of the border, public policy, efficiencies in customs processing, tariffs, exchange rates, changing customer preferences, and societal perceptions (particularly witnessed during the COVID-19 pandemic) to name a few. For those people who live on the border and are used to relying on cross-border travel as part of their normal day-to-day routine, it is evident that these routines have been interrupted and/or cancelled altogether as a result of the pandemic. There is no guarantee that these routines will be re-established as the behaviour of cross-border travellers has been changed to a greater degree than the post-9/11 impacts, and this will be more pronounced with unfavourable exchange rates, threats of recession, and high inflation.

**Passenger:** For passenger vehicles, volumes can vary by region due to very localized factors including, but not limited to, Thousand Islands tourism industry, BWB construction, and the opening of the GHIB. While traffic at the TIIB is expected to exceed 90% of pre-pandemic levels, the remaining SIB, SSMB, and BWB locations are expected to only start to reach 85% within the next two to three years.

**Commercial:** For commercial vehicles, all bridges except for BWB are expected to be consistent with 2023-24 forecasted volumes, adjusted for toll rate increases, if applicable. The BWB volumes, which are more heavily reliant on the general Canadian and US economies as a whole are expected to be considerably lower during the planning period. This is due not only to the economic factors in evidence, but also due to additional traffic reductions caused by bridge maintenance works and the opening of the GHIB.

## CHANGES RESULTING FROM COMPETITION:

- Gordie Howe International Bridge – it is expected that the new bridge will come into operation in the 2025-26 fiscal year. Furthermore, the BWB expects to see a reduction in traffic due to this, in for both passenger vehicles commercial vehicles.
- Ambassador Bridge – any planned changes are not expected to become operational until after the current planning period.
- No other significant changes in traffic volumes are expected as a result of neighbouring bridge operations in FBCL's portfolio.

## **ECONOMY:**

The economy is currently not expanding, with very little, if any, growth believed to occur beyond 2024-25. According to the Government of Canada's Economic and Fiscal Overview<sup>2</sup> "for many Canadians, this remains a challenging time. Higher housing costs and still-elevated consumer prices are putting pressure on families every month. To combat inflation around the world, the world's central banks have implemented the steepest series of interest rate increases in decades. These interest rate increases have led to a slowing of the Canadian economy". Consequently, this could have a negative impact on commercial volumes as demand for goods is impacted as well as expenditure costs and exchange rates. Consumer ability to travel cross border may also be affected by these factors.

## **SAFETY AND SECURITY:**

It is assumed that no finding or event, internal or external, would occur and result in a major investment requirement, which is defined as more than \$10.0M, or modify U.S. or Canadian border processing times in a significant manner.

## **INFLATION RATE:**

This represents the general increase in the cost for everyday goods and services. Over the planning period, FBCL is forecasting an inflation rate of 4% in 2025-26, 3% in 2026-27 and 2027-28, and 2% thereafter. Employee wage and salary increases, where known, have been incorporated into the annual expense values.

## **ESCALATION:**

This is related to general inflation. However it is more specifically related to the increase in costs in labour and materials related to the construction of facilities or other infrastructure. This is a rate that generally exceeds general inflation. In the current economic environment, it has been outstripping general inflation significantly. For this reason, given the market results of the previous year and consultation with external engineering firms, there is an expectation of a 9% annual escalation rate for 2024-25 and 6% thereafter, in this plan.

## **EXCHANGE RATES:**

2024-25 & onwards 1 CDN \$ = 0.71 US \$ / 1 US \$ = 1.40 CDN \$

## **INTEREST RATES:**

It is generally expected that interest rates will start a slow and steady drop from current levels as the interest varies in relation to the Canadian prime rate, which is forecasted at 7% for 2024-25, 6% in 2025-26 and 5% thereafter.

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<sup>2</sup><https://www.budget.canada.ca/fes-eea/2023/report-rapport/overview-apercu-en.html>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31 (in thousands of dollars)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
<b>ASSETS</b>								
Current Assets								
Cash and cash equivalents	7,508	6,616	4,147	7,135	6,588	7,345	8,252	6,940
Investments	6,515	12,000	3,000	11,000	5,500	3,000	5,000	-
Trade and other receivables	2,115	2,000	1,500	1,500	1,500	500	500	500
Prepays	1,570	1,500	1,220	1,220	1,300	1,380	1,475	1,575
<b>TOTAL CURRENT ASSETS</b>	<b>17,708</b>	<b>22,116</b>	<b>9,867</b>	<b>20,855</b>	<b>14,888</b>	<b>12,225</b>	<b>15,227</b>	<b>9,015</b>
Non-current Assets								
Capitalized assets	352,074	342,240	345,051	343,130	332,942	323,571	311,428	313,103
Lessor Inducement	170	144	144	125	106	91	76	61
Investments	-	2,000	2,000	2,000	2,000	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>352,244</b>	<b>344,384</b>	<b>347,195</b>	<b>345,255</b>	<b>335,048</b>	<b>323,662</b>	<b>311,504</b>	<b>313,164</b>
<b>TOTAL ASSETS</b>	<b>369,952</b>	<b>366,500</b>	<b>357,062</b>	<b>366,110</b>	<b>349,936</b>	<b>335,887</b>	<b>326,731</b>	<b>322,179</b>
<b>LIABILITIES</b>								
Current liabilities								
Trade and other payables	1,703	3,000	3,000	3,000	3,000	4,000	4,000	4,000
Employee benefits	1,128	1,204	1,209	1,209	1,214	1,170	1,176	1,183
Holdbacks	163	50	50	50	-	3	60	15
Deferred revenue	2,207	2,542	2,542	2,652	2,797	2,943	3,086	3,130
Capitalized leases	218	221	238	226	187	-	-	-
Loans payable	400	400	400	400	400	400	400	400
Bonds payable	6,737	7,191	7,191	7,675	8,192	4,301	-	-
Deferred funding	3,823	4,398	4,492	4,541	4,476	4,250	4,067	4,015
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,379</b>	<b>19,006</b>	<b>19,122</b>	<b>19,753</b>	<b>20,266</b>	<b>17,067</b>	<b>12,789</b>	<b>12,743</b>
Non-current Liabilities								
Capitalized leases	644	413	448	187	-	-	-	-
Loans payable	9,167	8,767	8,767	8,367	7,967	7,567	7,167	6,767
Bonds payable	27,357	20,168	20,168	12,493	4,301	-	-	-
Employee benefits	7,426	7,997	8,811	8,568	9,139	9,710	10,281	10,852
Deferred revenue	912	912	761	761	610	459	308	157
Deferred funding	94,404	95,807	95,763	108,170	103,694	99,444	95,377	91,362
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>139,910</b>	<b>134,064</b>	<b>134,718</b>	<b>138,546</b>	<b>125,711</b>	<b>117,180</b>	<b>113,133</b>	<b>109,138</b>
<b>TOTAL LIABILITIES</b>	<b>156,289</b>	<b>153,070</b>	<b>153,840</b>	<b>158,299</b>	<b>145,977</b>	<b>134,247</b>	<b>125,922</b>	<b>121,881</b>
<b>EQUITY</b>								
Retained earnings	213,672	213,438	203,230	207,819	203,967	201,648	200,817	200,306
Accumulated other comprehensive income	(9)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
<b>TOTAL EQUITY</b>	<b>213,663</b>	<b>213,430</b>	<b>203,222</b>	<b>207,811</b>	<b>203,959</b>	<b>201,640</b>	<b>200,809</b>	<b>200,298</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>369,952</b>	<b>366,500</b>	<b>357,062</b>	<b>366,110</b>	<b>349,936</b>	<b>335,887</b>	<b>326,731</b>	<b>322,179</b>



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
<b>REVENUES</b>								
Tolls and services	29,147	32,099	31,563	31,153	33,790	36,366	38,640	39,309
Leases and permits	3,570	3,906	3,662	3,902	4,034	4,064	4,083	4,102
TIIB revenue	6,325	7,781	6,860	8,226	8,226	8,226	8,226	8,226
Interest	399	739	109	407	290	158	258	308
Other	1,073	482	283	640	421	398	374	376
<b>TOTAL REVENUE</b>	<b>40,514</b>	<b>45,007</b>	<b>42,477</b>	<b>44,328</b>	<b>46,761</b>	<b>49,212</b>	<b>51,581</b>	<b>52,321</b>
<b>EXPENSES</b>								
Operations	5,549	5,796	6,922	7,691	7,818	8,101	8,420	8,723
TIIB expenses								
	5,303	5,987	6,021	6,756	7,167	7,103	7,295	7,434
Maintenance	5,956	6,197	7,626	7,362	7,438	7,980	8,408	8,823
CBSA & CFIA operations	3,828	4,006	4,599	4,318	4,485	4,653	4,826	4,979
Administration	6,884	7,242	7,807	7,972	8,405	8,613	8,774	8,982
Additional funding of SIBC operations	-	590	713	510	559	590	696	642
Depreciation	18,572	18,041	18,543	18,793	17,961	18,041	17,846	16,914
<b>TOTAL EXPENSES</b>	<b>46,092</b>	<b>47,859</b>	<b>52,231</b>	<b>53,402</b>	<b>53,833</b>	<b>55,081</b>	<b>56,265</b>	<b>56,497</b>
<b>OPERATING INCOME BEFORE GOVERNMENT FUNDING</b>	<b>(5,578)</b>	<b>(2,852)</b>	<b>(9,754)</b>	<b>(9,075)</b>	<b>(7,072)</b>	<b>(5,869)</b>	<b>(4,684)</b>	<b>(4,176)</b>
<b>GOVERNMENT FUNDING</b>								
Funding in relation to operating expenses	586	1,427	1,427	1,019	-	-	-	-
Amortization of deferred funding	3,619	3,976	3,966	4,398	4,541	4,476	4,250	4,067
<b>TOTAL GOVERNMENT FUNDING</b>	<b>4,205</b>	<b>5,403</b>	<b>5,393</b>	<b>5,417</b>	<b>4,541</b>	<b>4,476</b>	<b>4,250</b>	<b>4,067</b>
<b>NON-OPERATING ITEMS</b>								
Interest expense	(2,781)	(2,784)	(2,450)	(1,962)	(1,321)	(926)	(397)	(402)
<b>TOTAL NON-OPERATING ITEMS</b>	<b>(2,781)</b>	<b>(2,784)</b>	<b>(2,450)</b>	<b>(1,962)</b>	<b>(1,321)</b>	<b>(926)</b>	<b>(397)</b>	<b>(402)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(4,154)</b>	<b>(233)</b>	<b>(6,811)</b>	<b>(5,620)</b>	<b>(3,852)</b>	<b>(2,319)</b>	<b>(831)</b>	<b>(511)</b>

## GOVERNMENT FUNDING

for the year ending March 31 (in thousands of dollars)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
<b>Appropriations from Government of Canada</b>								
<b>Vote 1 - Payments to the corporation</b>								
Approved Funding	5,303	7,381	7,381	17,923	-	-	-	-
Funding not available	-	-	-	-	-	-	-	-
Lapsed Funding	(880)	-	-	-	-	-	-	-
<i>Total Funding Accessed</i>	<i>4,423</i>	<i>7,381</i>	<i>7,381</i>	<i>17,923</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Grand Total</b>	<b>4,423</b>	<b>7,381</b>	<b>7,381</b>	<b>17,923</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of government funding</b>								
Total funding in current year	4,423	7,381	7,381	17,923	-	-	-	-
Amortization of Deferred Government Funding	3,619	3,976	3,966	4,398	4,541	4,476	4,250	4,067
Government funding deferred to future years	(400)	(5,954)	(5,954)	(16,904)	-	-	-	-
<b>Total amount recognized in Statement of Operations</b>	<b>7,642</b>	<b>5,403</b>	<b>5,393</b>	<b>5,417</b>	<b>4,541</b>	<b>4,476</b>	<b>4,250</b>	<b>4,067</b>
<b>Balance of Deferred Government Funding</b>								
Balance - start of year	97,423	98,227	98,267	100,205	112,711	108,170	103,694	99,444
Government funding recognized in year	4,423	5,954	5,954	16,904	-	-	-	-
Amortization of deferred government funding	(3,619)	(3,976)	(3,966)	(4,398)	(4,541)	(4,476)	(4,250)	(4,067)
<b>Balance - end of year</b>	<b>98,227</b>	<b>100,205</b>	<b>100,255</b>	<b>112,711</b>	<b>108,170</b>	<b>103,694</b>	<b>99,444</b>	<b>95,377</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net Income	(4,154)	(233)	(6,812)	(5,620)	(3,852)	(2,319)	(831)	(511)
Adjustments for:								
Amortization of deferred funding	(3,619)	(3,976)	(3,966)	(4,398)	(4,541)	(4,476)	(4,250)	(4,067)
Depreciation of capitalized assets	18,572	18,041	18,543	18,793	17,961	18,041	17,846	16,914
Change in employee benefits	510	647	5	576	576	527	577	578
Loss on disposal of assets	(6)	-	-	-	-	-	-	-
Changes in working capital:								
(Increase) decrease in trade and other receivables	(534)	115	-	500	-	1,000	-	-
(Increase) decrease in prepaids	(301)	70	83	280	(80)	(80)	(95)	(100)
Increase (decrease) in trade and other payables	(2,455)	1,297	-	-	-	1,000	-	-
Increase (decrease) in holdbacks	-	(113)	-	-	(50)	3	57	(45)
Increase (decrease) in deferred revenue	(437)	335	(151)	(41)	(6)	(5)	(8)	(107)
Increase (decrease) in lease inducements	12	26	19	19	19	15	15	15
<b>Net cash generated by operating activities</b>	<b>7,588</b>	<b>16,209</b>	<b>7,721</b>	<b>10,110</b>	<b>10,027</b>	<b>13,706</b>	<b>13,311</b>	<b>12,677</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Payments for property and equipment (government funded)	(4,423)	(5,954)	(5,954)	(16,904)	-			
Payments for property and equipment (FBCL funded)	(1,628)	(2,253)	(3,520)	(2,779)	(7,773)	(8,670)	(5,703)	(18,589)
Funding related to acquisition of property and equipment received	4,423	5,954	5,954	16,904	-	-	-	-
Proceeds on sale (purchase) of investments	(283)	(7,485)	1,500	1,000	5,500	4,500	(2,000)	5,000
<b>Net cash generated (spent) on investing activities</b>	<b>(1,911)</b>	<b>(9,738)</b>	<b>(2,020)</b>	<b>(1,779)</b>	<b>(2,273)</b>	<b>(4,170)</b>	<b>(7,703)</b>	<b>(13,589)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Proceeds (Repayment) of bonds payable	(6,312)	(6,735)	(6,736)	(7,191)	(7,675)	(8,192)	(4,301)	-
Proceeds (Repayment) of loans payable	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Proceeds (Repayment) of lease liability	(259)	(228)	(230)	(221)	(226)	(187)	-	-
<b>Net cash generated (spent) on financing activities</b>	<b>(6,971)</b>	<b>(7,363)</b>	<b>(7,366)</b>	<b>(7,812)</b>	<b>(8,301)</b>	<b>(8,779)</b>	<b>(4,701)</b>	<b>(400)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,294)</b>	<b>(892)</b>	<b>(1,665)</b>	<b>519</b>	<b>(547)</b>	<b>757</b>	<b>907</b>	<b>(1,312)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,802</b>	<b>7,508</b>	<b>5,812</b>	<b>6,616</b>	<b>7,135</b>	<b>6,588</b>	<b>7,345</b>	<b>8,252</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>7,508</b>	<b>6,616</b>	<b>4,147</b>	<b>7,135</b>	<b>6,588</b>	<b>7,345</b>	<b>8,252</b>	<b>6,940</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ending March 31 (in thousands of dollars)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
<b>BALANCE, BEGINNING OF YEAR</b>	216,596	213,663	210,034	213,430	207,811	203,959	201,640	200,809
Net income / (loss)	(4,154)	(233)	(6,811)	(5,620)	(3,852)	(2,319)	(831)	(511)
Actuarial gains / (losses)	1,242	-	-	-	-	-	-	-
Investments (AOCI)	(21)	-	-	-	-	-	-	-
<b>BALANCE, END OF YEAR</b>	213,663	213,430	203,223	207,811	203,959	201,640	200,809	200,298
Made up of:								
- Retained earnings	216,584	213,438	202,170	207,819	203,967	201,648	200,817	200,306
- Accumulated OCI	12	(8)	(8)	(8)	(8)	(8)	(8)	(8)

## OPERATING BUDGET

for the year ending March 31 (in thousands of dollars) (presented on a cash basis)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
<b>FUNDING</b>								
Tolls	29,147	32,099	31,563	31,153	33,790	36,366	38,640	39,309
Leases and permits	(4,154)	3,906	3,662	3,902	4,034	4,064	4,083	4,102
TIIB operating revenues	6,325	7,781	6,860	8,226	8,226	8,226	8,226	8,226
Interest	399	739	109	407	290	158	258	308
Other	1,073	482	283	640	421	398	374	376
Federal government appropriations	586	1,427	1,427	1,019	-	-	-	-
<b>TOTAL FUNDING</b>	41,100	46,434	43,904	45,347	46,761	49,212	51,581	52,321
<b>EXPENSES</b>								
Operations	5,549	5,796	6,922	7,691	7,818	8,101	8,420	8,723
TIIB expenses	5,303	5,987	6,021	6,756	7,167	7,103	7,295	7,434
Maintenance	5,956	6,197	7,626	7,362	7,438	7,980	8,408	8,823
CBSA & CFIA operations	3,828	4,006	4,599	4,318	4,485	4,653	4,826	4,979
Administration	6,884	7,242	7,807	7,972	8,405	8,613	8,774	8,982
Additional funding of SIBC operations	-	590	713	510	559	590	696	642
<b>TOTAL EXPENSES</b>	27,520	29,818	33,688	34,609	35,872	37,040	38,419	39,583
<b>EXCESS OF FUNDING OVER EXPENDITURES</b>	13,580	16,616	10,216	10,738	10,889	12,172	13,162	12,738

## CAPITAL BUDGET

as at March 31 (in thousands of dollars) (presented on a cash basis)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget					
				2024-25	2025-26	2026-27	2027-28	2028-29	
<b>FBCL AVAILABLE FUNDING</b>									
Internal funds available	1,130	2,253	3,520	2,779	7,773	8,670	5,703	18,589	
<b>TOTAL FBCL FUNDING</b>	1,130	2,253	3,520	2,779	7,773	8,670	5,703	18,589	
<b>EXPENDITURES</b>									
<b>FBCL funded:</b>									
Blue Water bridge paving, repairs, painting	44	500	500	-	-	60	1,200	300	
Blue Water Equipment and Electronic Systems	633	921	821	1,100	570	1,030	2,045	655	
Blue Water Plaza design improvements and rehabilitation	-	100	297	325	630	1,346	815	500	
Cornwall bridge repairs	-	-	-	-	726	592	19	300	
Sault Ste Marie maintenance projects	349	-	-	-	-	-	-	-	
Lansdowne Canadian Bridge and Plaza repairs	-	108	-	20	3,075	2,050	-	15,000	
Lansdowne Canadian Bridge repairs	7	-	-	-	-	-	-	-	
Property acquisitions	70	10	750	500	100	125	150	175	
Other capital projects	27	614	1,152	834	2,672	3,467	1,474	1,659	
<b>TOTAL FBCL EXPENDITURES</b>	1,130	2,253	3,520	2,779	7,773	8,670	5,703	18,589	
<b>Funded with appropriations:</b>									
Blue Water bridge paving, repairs, painting	-	4,793	4,793	7,922	-	-	-	-	
Blue Water Equipment and Electronic Systems	887	-	-	-	-	-	-	-	
Blue Water Plaza design improvements and rehabilitation	-	-	-	1,067	-	-	-	-	
Cornwall bridge repairs	274	53	331	37	-	-	-	-	
Sault Ste. Marie maintenance projects	3,091	-	-	-	-	-	-	-	
Sault Ste. Marie Electronic Systems	-	-	-	-	-	-	-	-	
Lansdowne Canadian Bridge repairs	-	756	756	7,618	-	-	-	-	
Other capital projects	171	352	74	260	-	-	-	-	
<b>TOTAL EXPENDITURES</b>	4,423	5,954	5,954	16,904	-	-	-	-	
<b>TOTAL CAPITAL EXPENDITURES</b>	5,553	8,207	9,474	19,683	7,773	8,670	5,703	18,589	
<b>(SHORTFALL) OF FUNDING OVER EXPENDITURES</b>	(4,423)	(5,954)	(5,954)	(16,904)	-	-	-	-	
<b>Appropriations:</b>									
Approved capital appropriations funded	4,423	5,954	5,954	16,904	-	-	-	-	
<b>Total Appropriations</b>	4,423	5,954	5,954	16,904	-	-	-	-	
<b>EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES</b>	-	-	-	-	-	-	-	-	

## CAPITAL BUDGET

as at March 31 (in thousands of dollars) (presented on a cash basis)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget					
				2024-25	2025-26	2026-27	2027-28	2028-29	
<b>FBCL Proposal to Transport Canada</b>									
<b>FUNDING &amp; CAPITAL EXPENDITURES</b>									
Cornwall new FBCL facilities for bridge operations <sup>(1) (2)</sup>	-	-	-	-	-	24,300	-	-	-
Blue Water Bridge redevelopment <sup>(3)</sup>				6,400	11,780	64,630	77,430		31,730
Sault Ste Marie commercial traffic flow enhancement <sup>(3)</sup>				2,130	1,400	1,170	530		-
Thousand Islands redevelopment <sup>(3)</sup>				6,240	520	12,130	4,390		-
<b>TOTAL FUNDING &amp; CAPITAL EXPENDITURES</b>	-	-	-	14,770	13,700	102,230	82,350		31,730

(1) GBCF funding proposal to Transport Canada for consideration as part of Seaway land claim. Realization dependant on project specific authorities granted.

(2) Customs Act, Section 6 is currently assumed by CBSA due to long-term free passage rights granted.

(3) Funding proposal to Transport Canada for consideration under the National Trade Corridors Fund (NTCF). Realization dependant on project specific authorities granted



# Borrowing Plan

## Borrowing Authority

The corporation has financing arrangements in place, the bulk of which were to fund a portion of major capital projects that a legacy corporation could not cover with available funding at the time. In addition, a further arrangement is in place by which the corporation shouldered a significant portion of its cash needs, which were precipitated by the decimation of bridge traffic during the pandemic. Pursuant to Section 127(3) of the FAA, the corporation is only engaged in borrowings that have been approved by the Minister of Finance. This approval from the Minister is valued at no more than \$130.0M per *Economic Action Plan 2013 Act, No. 2*.

## Overview of Borrowing

As at March 31, 2024, the Corporation will have three types of outstanding financing arrangements:

- Bonds remaining from a legacy corporation to fund BWB capital redevelopment in June 2002. There remains \$27.4M principal balance outstanding, on an original face value issue of \$110M, 6.41% Revenue Bonds, payable semi-annually, due July 9, 2027, subject to maintenance of bond rating. Through the COVID-19 pandemic the corporation has worked hard to maintain its A+ bond rating, largely based on strong financial management and support from the federal government.
- A \$10M loan for continued requirements at FBCL was secured with certain conditions. This term facility is non-revolving, fixed rate, on a non-current basis, with periodic payments of interest and principal, and not to exceed a maturity of 25 years. Approvals for this loan authority were granted during the 2020-21 fiscal year, allowing FBCL to draw upon this loan facility up until March 31, 2022. In February 2022, the corporation had fully drawn this facility. The remaining principal is \$9.2M.
- In the 2019-20 fiscal year, the Corporation adopted IFRS 16, Leases. This requires the Corporation to account for all material leases as a liability equal to the discounted present value of future lease payments, regardless of whether these leases were previously determined to be capital or operating leases. On April 1, 2019, FBCL recorded \$1.7M of currently existing leases as a liability, as a result of this IFRS standard. This liability ends December 2026. The remaining principal is \$0.6M.

## New Borrowing

FBCL does not plan to enter into any new loan or debt arrangements. Therefore, FBCL is not requesting any new debt authorities.

FBCL does not have plans to enter into significant new lease agreements in the upcoming five-year period and consequently does not anticipate having any leases that need to be approved in accordance with Section 127(3) of the *FAA and the associated Crown Corporation General Regulations, 1995*.

OUTSTANDING BORROWINGS								
as at March 31 (in thousands of dollars)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
<b>LONG-TERM BORROWINGS:</b>								
<b>CURRENT PORTION</b>								
Capitalized leases	218	221	238	226	187	-	-	-
Loans payable	400	400	400	400	400	400	400	400
Bonds payable	6,737	7,191	7,191	7,675	8,192	4,301	-	-
<b>TOTAL CURRENT PORTION OF BORROWINGS</b>	<b>7,355</b>	<b>7,812</b>	<b>7,829</b>	<b>8,301</b>	<b>8,779</b>	<b>4,701</b>	<b>400</b>	<b>400</b>
<b>NON-CURRENT PORTION</b>								
Capitalized leases	644	413	448	187	-	-	-	-
Loans payable	9,167	8,767	8,767	8,367	7,967	7,567	7,167	6,767
Bonds payable	27,357	20,168	20,168	12,493	4,301	-	-	-
<b>TOTAL NON-CURRENT PORTION OF BORROWINGS</b>	<b>37,168</b>	<b>29,348</b>	<b>29,383</b>	<b>21,047</b>	<b>12,268</b>	<b>7,567</b>	<b>7,167</b>	<b>6,767</b>
<b>TOTAL BORROWINGS</b>	<b>44,523</b>	<b>37,160</b>	<b>37,212</b>	<b>29,348</b>	<b>21,047</b>	<b>12,268</b>	<b>7,567</b>	<b>7,167</b>

PEAK BORROWINGS								
as at March 31 (in thousands of dollars)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget				
				2024-25	2025-26	2026-27	2027-28	2028-29
Capitalized leases	1,505	862	916	634	413	187	-	-
Loans payable	3,075	9,567	9,567	9,167	8,767	8,367	7,967	7,567
Bonds payable	51,860	34,094	34,095	27,359	20,168	12,493	4,301	-
<b>PEAK BORROWINGS</b>	<b>56,440</b>	<b>44,523</b>	<b>44,578</b>	<b>37,160</b>	<b>29,348</b>	<b>21,047</b>	<b>12,268</b>	<b>7,567</b>

Note: All forms of borrowing by FBCL are denominated in Canadian dollars.



## LONG-TERM BORROWING CONTINUITY

as at March 31 (in thousands of dollars)	Actual 2022-23	Forecast 2023-24	Main Budget 2023-24	Budget					
				2024-25	2025-26	2026-27	2027-28	2028-29	
<b>Capitalized leases</b>									
Opening balance	1,121	862	916	634	413	187	-	-	
IFRS assumption of existing lease	-	-	-	-	-	-	-	-	
Maturities	(259)	(228)	(204)	(221)	(226)	(187)	-	-	
New issuances	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITALIZED LEASES</b>	<b>862</b>	<b>634</b>	<b>712</b>	<b>413</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Loans payable</b>									
Opening balance	9,967	9,567	9,567	9,167	8,767	8,367	7,967	7,567	
Maturities	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	
New issuances	-	-	-	-	-	-	-	-	
<b>TOTAL LOANS PAYABLE</b>	<b>9,567</b>	<b>9,167</b>	<b>9,167</b>	<b>8,767</b>	<b>8,367</b>	<b>7,967</b>	<b>7,567</b>	<b>7,167</b>	
<b>Bonds payable</b>									
Opening balance	40,406	34,094	34,095	27,359	20,168	12,493	4,301	-	
Maturities	(6,312)	(6,735)	(6,312)	(7,191)	(7,675)	(8,192)	(4,301)	-	
New issuances	-	-	-	-	-	-	-	-	
<b>TOTAL BONDS PAYABLE</b>	<b>34,094</b>	<b>27,359</b>	<b>27,783</b>	<b>20,168</b>	<b>12,493</b>	<b>4,301</b>	<b>-</b>	<b>-</b>	
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>44,523</b>	<b>37,160</b>	<b>37,662</b>	<b>29,348</b>	<b>21,047</b>	<b>12,268</b>	<b>7,567</b>	<b>7,167</b>	

Note: All forms of borrowing by FBCL are fixed rate.

# Risk Management

## Risk Assessments and Impacts

The enterprise risk management process at FBCL is comprised of four main components:

- the Corporate Risk Profile;
- the Corporate Risk Appetite Statement Framework;
- the Corporate Risk Registry; and,
- a three-year risk-based audit plan.

FBCL views risk management as a shared responsibility. The Board of Directors, committees, CEO, and all employees actively participate in managing risks within their respective areas of responsibility. The aim is to embed a consistent, holistic, and comprehensive approach to risk management, firmly rooted in the organization's planning, decision-making, and operational activities.

The Board is accountable, along with the CEO, for the overall stewardship of the Corporation. The Board sets the strategic direction and:

- provides direction and oversees risk management strategies, including setting risk targets, appetite, tolerances and capacity;
- provides leadership in risk management and managing strategic risks within the Corporate Risk Profile;
- ensures identification of key risks and implements effective systems and resources for risk management;
- upholds information systems and management practices that meet corporate requirements and ensure data integrity; and
- communicates significant residual risks to the Minister of Transport.



The Board of Directors has endorsed the following risk profile and tolerance matrix, adapted from the widely recognized Paisley Consulting Governance, Risk and Compliance assessment methodology.

SX5 Risk Matrix

Consequence	Severe	Moderate 5	Major 10	High 15	Severe 20	Severe 25
	High	Moderate 4	Moderate 8	Major 12	High 16	Severe 20
	Major	Low 3	Moderate 6	Moderate 9	Major 12	High 15
	Moderate	Low 2	Low 4	Moderate 6	Moderate 8	Major 10
	Low	Low 1	Low 2	Low 3	Moderate 4	Moderate 5
		Rare	Unlikely	Moderate	Likely	Almost Certain
Likelihood						

▼: Critical ▲: High ■: Medium ●: Low ↔: Stable ↑: Increasing Risk ↓: Declining Risk

	Risk Description		Mitigation Strategies
<b>Financial Sustainability</b>	Risk that financial instability may occur, due to a significant reduction in revenue generation (i.e.: reduced toll revenue), unexpected expenditures or mismanagement, which could lead to reductions in bridge operations, maintenance, bridge safety and security, jeopardizing our employees and clients.	▲ ↑	<ul style="list-style-type: none"> <li>Actively monitor and prioritize expenditures against budget;</li> <li>Manage corporate financial sustainability;</li> <li>Continually assess overall debt and explore potential solutions;</li> <li>Explore additional revenue opportunities, including business development;</li> <li>Collaborate with CBSA to develop strategies for long-term CBSA facility cost management.</li> </ul>
<b>Funding of SIBC</b>	Risk that the FBCL will not be provided appropriate levels of government funding in order to operate the SIBC crossing safely. This may occur at both the operational funding level or the long-term capital infrastructure level, both of which have the potential to inhibit the ability of the crossing to be maintained as a critical lifeline piece of infrastructure.	▲ ↑	<ul style="list-style-type: none"> <li>Managing financial sustainability in the context of SIBC's viability;</li> <li>Continuously with Great Lakes Saint Lawrence (GLS) for funding updates.</li> <li>Conducting a lifecycle study of the South Channel Bridge.</li> <li>Secure future funding commitments and provide supporting information to Transport Canada (TC).</li> </ul>

	Risk Description		Mitigation Strategies
<b>Cybersecurity</b>	Risk that technology security compromises may occur, due to human error, unintentional consequences, equipment failure, natural disasters and deliberate attacks, such as cyber crime, which could lead to critical system failures, financial and reputational liabilities.		<ul style="list-style-type: none"> <li>• Regularly update hardware and software as part of lifecycle management;</li> <li>• Ensure rigorous testing and management of releases;</li> <li>• Implement a clear change management program;</li> <li>• Conduct regular audits and manage access as per internal control policies.</li> </ul>
<b>External Forces</b>	Risk that the FBCL is unable to deliver on its mandate due to changing economic cycles (e.g. market supply chain), social and political instability in both Canada and the U.S. This could result in significant impacts to operations, staffing and infrastructure investments across the portfolio.		<ul style="list-style-type: none"> <li>• Monitor global issues and their potential impacts;</li> <li>• Engage in continuous consultation with local partners;</li> <li>• Active monitor and prioritize expenditures against budget;</li> <li>• Adapt risk management strategies as necessary.</li> </ul>
<b>Public and Asset Security</b>	Risk that asset (bridge, buildings or plaza infrastructure) security may be compromised due to intentional acts such as terrorism, protests, vandalism, and criminal activities, which could lead to possible injury, loss of life and/or property damage. Furthermore, such a risk could lead to bridge closures, significant financial liabilities and loss of public confidence.		<ul style="list-style-type: none"> <li>• Monitor special interest groups, communications, and media reports;</li> <li>• Keep track of First Nations issues and port running occurrences at SIBC;</li> <li>• Investigate preventative measures for mental health-related incidents;</li> <li>• Maintain and update international bridges security plans;</li> <li>• Ensure excellent communication with bridge operators, partners, and local police forces;</li> <li>• Adhere to MOUs with Transport Canada regarding security measures, as per the International Bridges and Tunnels Act.</li> </ul>
<b>Organizational</b>	Risk that organizational threats may occur across the FBCL portfolio, due to structural or governance changes, a transition in executive leadership, underlying management, and labour performance difficulties and complications with bi-national partners, which could lead to an erosion of operational and financial performance.		<ul style="list-style-type: none"> <li>• Manage the financial sustainability and viability of SIBC;</li> <li>• Implement key policies such as financial delegation, banking, investments, procurement, code of values and ethics, and risk management;</li> <li>• Maintain effective staffing procedures and succession planning;</li> <li>• Ensure FBCL succession plans are current and effective.</li> </ul>
<b>People Safety</b>	Risk that compromised people safety instances may occur, due to accidents, incidents, natural disasters, workplace injuries or major public health events, which could lead to possible injury, loss of life and/or property damage. Furthermore, such a risk could lead to significant financial liabilities and loss of employees and public confidence.		<ul style="list-style-type: none"> <li>• Control risks to personnel in line with public health advisories;</li> <li>• Maintain updated Emergency Action Plans;</li> <li>• Liaise with law enforcement to proactively identify and address issues;</li> <li>• Maintain the presence of a Health and Safety Advisor on staff;</li> <li>• Conduct ongoing employee safety training.</li> </ul>
<b>Asset Management</b>	Risk that the FBCL is unable to suitably forecast and perform appropriate levels of ongoing maintenance and capital investment in order to ensure the longevity and safety of its bridge crossings. . This could result in significant liability and decrease in public confidence in the organization's ability to be a trusted steward of its international crossings.		<ul style="list-style-type: none"> <li>• Forecast capital requirement accurately;</li> <li>• Engage with government for adequate and timely funding;</li> <li>• Develop long-range capital investment plans.</li> </ul>

	Risk Description		Mitigation Strategies
<b>Workforce Management</b>	Risk that workforce management issues may occur, due to labour disruption, insufficient human resources, a lack of skilled employees, the lack of proper leadership and the lack of an appropriate compensation structure, which could lead to the inability to staff key positions, an increased and constant regrettable staff turnover, unsatisfied and non-engaged employees and an inability to effectively deliver or execute our mandate.	● ↑	<ul style="list-style-type: none"> <li>• Utilize innovative recruitment programs, such as local community recruiting events;</li> <li>• Provide regular training on harassment and violence prevention;</li> <li>• Prepare contingency plans for maintaining safe and secure operations during labour disruptions;</li> <li>• Maintain up-to-date labour plans and collective agreements;</li> <li>• Offer increased support to People Leaders;</li> <li>• Maintain proactive, timely and transparent communications.</li> </ul>
<b>Reputation</b>	Risk that negative public perception of the Corporation may occur, due to the inability to foster a positive and productive relationships with host communities, stakeholders and the public, which could lead to decreased credibility of the Corporation, difficulties in obtaining support and cooperation for initiatives and potentially, disruption to operations.	● ↑	<ul style="list-style-type: none"> <li>• Execute Community ConneXion charitable outreach activities to build positive local engagement;</li> <li>• Implement an active media engagement strategy;</li> <li>• Enhance liaisons with emergency services;</li> <li>• Manage public comments on Media channels;</li> <li>• Engage media for factual supplementing of articles;</li> <li>• Foster active stakeholder engagement.</li> </ul>
	Risk that the FBCL has an investment gap (funding or resources) in sustainable development, including risks related to climate change, which could lead to damage to the bridge infrastructure and the environment, a negative public perception of the corporation, and the loss of public funds through claims against the corporation.	● ↑	<ul style="list-style-type: none"> <li>• Align strategies with the United Nations' 2030 Agenda for Sustainable Development and TCFD;</li> <li>• Draft initial steps for ESG plans by the Board of Directors and Senior Management Team.</li> </ul>
<b>Technology</b>	Risk that technology solutions may be inaccessible or unusable due to third party interruptions or inadequate recovery actions which could lead to critical system failures, financial and reputational liabilities.	● ↔	<ul style="list-style-type: none"> <li>• Ensure continuous hardware and software updates;</li> <li>• Deploy a new toll collection system;</li> <li>• Ensure proper testing and release management;</li> <li>• Create and maintain a clear change management program;</li> <li>• Audit and manage access effectively.</li> </ul>
<b>Fraud</b>	Risk that fraud is committed due to intentional act(s) by one or more individual employees, which could lead to the loss of public funds or property, diminish employee morale, and undermine Canadians confidence in public services.	● ↔	<ul style="list-style-type: none"> <li>• Install security cameras in toll booths;</li> <li>• Implement cash handling policies;</li> <li>• Enforce Conflict of Interest procedures and Board attestations;</li> <li>• Conduct yearly review of the Values and Ethics Code;</li> <li>• Maintain an up-to-date Disclosure of Wrongdoing Policy.</li> </ul>
<b>Partnerships / Stakeholders</b>	Risk that actions by partners and stakeholders may occur, due to environmental factors and business decisions, which could lead to a deterioration in our ability to meet business objectives and our public service obligations.	● ↔	<ul style="list-style-type: none"> <li>• Engage actively with key stakeholders and border partners;</li> <li>• Maintain open and timely communications;</li> <li>• Execute Community ConneXion charitable outreach activities to build positive local engagement;</li> <li>• Participate in community events and meetings.</li> </ul>

	Risk Description		Mitigation Strategies
<b>Competition</b>	Risk that competition will impact the FBCL, due to the availability of competing international crossings or modes of transportation offering better pricing or route destinations, which could lead to a decrease in tolling and general revenue impacting overall financial sustainability	● ↑	<ul style="list-style-type: none"> <li>• Monitor tolls at other crossings;</li> <li>• Stay informed about the Gordie Howe International Bridge's progress;</li> <li>• Develop an engagement strategy with key stakeholders, such as border partners.</li> </ul>
<b>Infrastructure</b>	Risk that compromised infrastructure (bridge, buildings or assets) integrity instances may occur, due to accidents, incidents, natural disasters or capital cycle funding gap, which could lead to possible injury, loss of life and/or property damage. Furthermore, such a risk could lead to bridge closures, significant financial liabilities and loss of public confidence.	● ↑	<ul style="list-style-type: none"> <li>• Develop maintenance and repair programs based on regular inspection reports.</li> <li>• Ensure compliance with bridge inspection requirements;</li> <li>• Maintain continuous updates on maintenance progress;</li> <li>• Engage with Transport Canada to communicate the need for capital funding.</li> </ul>

## Compliance with Legislative and Policy Requirements

### OFFICIAL LANGUAGES ACT, R.S.C., 1985, C. 31 (4TH SUPP.)

FBCL has assigned an Official Languages champion to monitor and promote the use of official languages within the Corporation. FBCL's internal and public communications as well as its services to the public are available bilingually. The use of both official languages within the workplace interactions is very prevalent, particularly in Eastern Ontario regions where each language is well represented within the community. Annually, FBCL reports its findings related to languages to the Treasury Board Secretariat's Official Languages Centre of Excellence. Over the course of the 2023 calendar year, no compliance concerns were communicated to the Corporation.

### ACCESS TO INFORMATION ACT AND PRIVACY ACT

As part of a commitment to clear and transparent governance, FBCL and its subsidiary complete annual reports for submission to Parliament on the administration of the *Access to Information Act* and the *Privacy Act*. In addition, both corporations post monthly summaries of processed access to information requests. The annual reports and monthly summaries are available through the Open Government Portal. Over the course of the 2023 calendar year, eight (8) requests have been received by the Corporation and one (1) have been submitted to the subsidiary SIBC.

## DIRECTIVE ON TRAVEL, HOSPITALITY, CONFERENCES AND EVENT EXPENDITURES

As part of a commitment to good governance per the requirement of the *Access to Information Act* and as directed under s.89 of the *FAA*, FBCL has established a policy governing the reimbursement of reasonable expenses required for the purposes of business travel, hospitality, conferences and events in accordance with Government of Canada direction, including the amendments effective August 1, 2020. This policy includes processes for preparation and approval of expenses for reimbursement. FBCL's compliance with this policy is audited annually by the Office of the Auditor General.

FBCL publicly reports annual aggregate corporate expenses related to travel and business development activities as well as the travel and hospitality expenses for the CEO, Board members and senior executives. Expenses are reported by fiscal quarter and are reflected in the period during which they were reimbursed.

These disclosures include business expenses related to business travel, hospitality, conferences, and event expenses for activities directly related to the delivery of FBCL's core mandate or legal requirements, engagement with its key stakeholders, internal governance, and training.

## PENSION PLAN REFORM DIRECTIVES

Prior to December 31, 2017, FBCL became fully compliant with the Ministerial directive under s.89 of the *FAA* that ensures that defined contribution pension plan benefits align with a 50:50 contribution ratio.

## DIRECTIVE ON PROACTIVE PUBLICATION UNDER THE ACCESS TO INFORMATION ACT

The [Directive on Proactive Publication under the Access to Information Act](#) took effect on June 28, 2023, and applies to government institutions as defined in section 3 of the *Access to Information Act*. This includes any parent Crown corporations and any wholly owned subsidiary of these corporations. This directive aligns with the ongoing efforts to promote transparency and accountability within government institutions, reinforcing the importance of accessible and centralized information dissemination. The main change affecting Crown corporations is the implementation of the Open Government Portal as the prescribed method of proactive disclosure. FBCL and its subsidiary are currently reviewing and updating, where necessary, their internal processes to comply with this directive.

## TRADE AGREEMENTS

FBCL is not involved with any activities directly related to trade agreements. A stable and collaborative pro-trade economic environment directly benefits FBCL's business activities.

FBCL follows a procurement process that includes tendering in a public manner respecting the thresholds established in various trade agreements.

## OTHER

Additionally, the Corporation supports and complies with the following legislations that affect various facets of its operations:

### Corporate

- *Canada Business Corporations Act, RSC 1985, c C-44*
- *Corruption of Foreign Public Officials Act, SC 1998, c 34*
- *Financial Administration Act, RSC 1985, c F-11*
- *Economic Action Plan 2013 Act, No. 2, SC 2013, c 40*
- *Canada Marine Act, SC 1998, c 10*
- *Multiple COVID-19 response Acts*

### Government Institutions

- *Auditor General Act R.S.C., 1985, c. A-17*
- *Commercial Arbitration Act, RSC 1985, c 17 (2nd Supp.)*
- *Conflict of Interest Act, SC 2006, c 9, s 2*
- *Library and Archives of Canada Act, SC 2004, c 11*
- *Lobbying Act, RSC 1985, c 44 (4th Supp.)*
- *Pay Equity Act, SC 2018, c.27, s 416*
- *Privacy Act, RSC 1985, c P-21*
- *An Act to amend the Access to Information Act and the Privacy Act and to make consequential amendments to other Acts, S.C. 2019, c. 18*
- *Official Languages Act, R.S.C., 1985, c. 31 (4th Supp.)*
- *Public Servants Disclosure Protection Act, SC 2005, c 46*

### Regulatory Statutes

- *Bridges Act, RSC 1985, c B-8*
- *International Bridges and Tunnels Act, SC 2007, c 1*
- *Canada Labour Code, RSC 1985, c L-2*
- *Impact Assessment Act, SC 2019, c28, s 1*

### Regulations

- *Crown Corporation General Regulations, 1995 (SOR/95-226)*
- *Crown Corporation Corporate Plan, Budget and Summaries Regulations (SOR/95-223)*
- *The Seaway International Bridge Corporation, Ltd. Regulations under the Canada Marine Act*

### Amongst others also including:

- *Canada Transportation Act, SC 1996, c 10*
- *Federal Real Property and Federal Immovables Act S.C, 1991, c. 50*



# Government Priorities and Direction

Based on the 2021 Speech from the Throne and the letter of expectation issued to Transport Canada and the Corporation in 2022, FBCL supports the Government priorities, which include fighting against COVID-19, being vigilant to cyber security threats, addressing climate changes, and advancing reconciliation efforts:

## Fight Against COVID-19

With pandemic mitigation measures such as cross-border travel restrictions dramatically reducing crossings at FBCL bridges, the Government allocated up to \$30.6 million of COVID-19 relief over three years starting in 2022-23 to enable FBCL to support the continued safe operation of the bridges within its portfolio. Throughout the pandemic, FBCL facilitated safe, secure international trade and efficient transit of people and goods, focusing on employee and public health and safety. The Corporation continues to follow the directions from the Government by remaining adaptable to evolving changes in order to best support the essential international trade corridors. Loss of revenue to date is in excess of \$40 million.

## Cybersecurity

FBCL is to continue to be prepared to proactively and adequately mitigate and respond to emerging incidents and hazards, including cyber security threats. FBCL executes data related initiatives that improve and broaden the Corporation's cybersecurity program by deploying proven technologies and processes to best protect our digital data interests. The Corporation does not tolerate external data breaches and must ensure that mitigating measures, which include yearly program reviews, adequate ransomware insurance, and continuous employee awareness, are implemented. Upon any finding of inadequate data integrity standards, the Corporation sets up action plans to deal with the observations quickly.

The FBCL network and infrastructure have undergone changes over the past few years and requires a fulsome assessment of its technology, configuration, documentation and processes. In 2022, FBCL prepared a three-year cybersecurity action plan outlining the various aspects that are to be reviewed and assessed in fiscal 2023-24 as part of a fulsome review of the cybersecurity program. Areas of focus include governance, risk management, technology and processes, workforce, business continuity and disaster recovery, and data and information management. This action plan incorporated recommendations identified in two assessments conducted by external firms specializing in cybersecurity also taking into consideration the National Institute of Standards and Technology and ISO27001 cybersecurity frameworks as well as the Government of Canada security-related IT security risk management approach (ITSG33). This action plan was further reviewed by FBCL's internal auditors in order to ensure the plan was appropriate and complete. During 2023-24 a substantive portion of the action plan, which included the deployment of new policies, has been implemented which aided in strengthening FBCL's IT infrastructure. As cybersecurity is ever evolving, FBCL continues to mitigate cybersecurity risks through timely tracking and reporting processes detail in its Enterprise Risk Management profile.

## Climate Change

As Canadians are increasingly experiencing across the country, climate change is rapidly evolving. The Government prioritizes building a cleaner, greener future that will require a sustained and collaborative effort by all Canadians and entities including reducing emissions, creating clean jobs and addressing the climate-related challenges communities are already facing.

As they presently stand, the FBCL Corporate Centre and other newer elements of the BWB Plaza have benefited from a conception that aimed from the outset for LEED certification that was achieved on June 25, 2015.

This same approach continues to be reflected in ongoing and future FBCL developments and construction throughout the bridge portfolio. A notable example involves the replacement of light sources at all bridge and plaza locations for more environmentally conscious and energy-efficient light emitting diode (LED) bulbs. FBCL aims to perpetuate an energy and environment-friendly methodology in both its project implementation and outcomes.

Increases in vehicle processing results in shorter idling times and reductions in the production of GHG. Fuel typically accounts for over 40% of operational costs for commercial vehicles. For a commercial transport truck travelling three hours, a ten-minute reduction in travel time equates to roughly a 5% reduction in fuel consumption and associated emissions. FBCL's approach to traffic management aims to continuously improve vehicle throughput and to work with its bridge partners for consistency and improvements in their vehicle processing. CBSA and CBP also have a role to play in order to improve the flow of traffic at the border. Tentatively there are some future projects by CBSA anticipated at the BWB such as bi-national Secure Corridor and e-Gates. Major opportunities have also been identified by FBCL to strengthen its position and that of Canada's supply chain which will in turn also reduce idling times and GHG emissions. In fiscal 2022-23, FBCL proposed three major capital projects for funding consideration through the NTCF to improve supply-chain traffic processing, rehabilitate infrastructure, and address challenges brought on by climate change. The projects have not been approved nor rejected at the time this Corporate Plan has been prepared. FBCL continues to discuss these projects with Transport Canada in order to determine whether funding would be available via NTCF or other funding mechanisms.

In fiscal 2020-21 FBCL conducted an environmental impact study to assess the vulnerability of the Corporation's assets, including bridges, roadways, buildings and other infrastructure to extreme weather and climate change. The study included considerations for such factors as increased winds, rainfalls and snowfalls; extremes in temperatures; and, abilities to ensure the safe and rapid removal of weather-related traffic impediments. There are no major capital components to improve our assets required at this time, however, many procedures and maintenance costs will be required.

FBCL shifted to align with the concept of ESG, which consists of three areas that measure the ethical, and sustainability performance of a corporation. As a public entity, FBCL had already incorporated many key ESG themes in its strategy, operations and reporting throughout the years, although not labelled as such. However, with this new revised focus, FBCL is committed to further strengthening its ESG commitment by defining strategies to mitigate material ESG risks to acceptable levels. As part of its ESG Framework, FBCL is also committed to reusing existing materials where feasible in new construction and establish GHG reduction strategies with an aspiration toward becoming net zero by 2050.

As per the requirements outlined in Budget 2021, the Corporation is currently developing its climate-related financial risk disclosure as established by the TCFD which will be presented in the 2023-24 Annual Report. During fiscal 2023-24 FBCL conducted GHG inventory levels 1 and 2 studies in order to allow FBCL to better track its carbon footprint by identified GHG emission generated by the organization (level 1) which include emissions generated from major equipment as well as identifying those indirectly impacting the organization (level 2) such as utilities.

In addition to past actions, the Corporation aims to increase its green presence. Various initiatives being implemented or contemplated for deployment include the installation of electric vehicle charging stations at all its bridges as well as feasibility assessments for the generation of green (solar, wind, etc.) energy at its facilities.

## Indigenous Relationships

The Government has identified its duty to work collectively and for Canadians as individuals to work the path of reconciliation with First Nations, Inuit and Métis Peoples. The government has implemented the United Nations Declaration on the Rights of Indigenous Peoples and to work in partnership with Indigenous Peoples to advance their rights. On June 21, 2021, the *United Nations Declaration on the Rights of Indigenous Peoples Act* received Royal Assent and came into force. This Act provides a roadmap for the Government of Canada and First Nations, Inuit and Métis to work together to implement the UN Declaration based on lasting reconciliation, healing and cooperative relations. On June 21, 2023, the UN Declaration Act Action Plan, developed in consultation and cooperation with First Nations, Inuit and Métis from across Canada, was released. The implementation of the Action Plan and the UN Declaration will contribute to the Government of Canada's continued efforts to break down barriers, combat systemic racism and discrimination, close socio-economic gaps, and promote greater equality and prosperity for Indigenous peoples.

Through community engagement with regional Indigenous groups, FBCL spurs individual economic well-being and promotes an inclusive social diversity that is essential for the future of Canada. This community collaboration also supports environmental protection of the lands and waterways adjoining bridge facilities.

In Cornwall, there are historical agreements in place, varying interpretations of acquired rights and a land claim over the original expropriation of Akwesasne Reserve land for the construction of the crossing and other components of the Saint Lawrence Seaway. Notable within these land claims is a request for the transfer of as much territory as possible to Indigenous control. These elements combined with North American current events that impact Indigenous communities make the Cornwall crossing particularly susceptible to demonstrations that impact operations. FBCL is actively engaged in its support for the Crown's efforts to establish a definitive settlement agreement with the MCA regarding its land claims.

FBCL and its SIBC subsidiary maintain dialogue with the MCA on all major projects and on various operational matters to address identified issues. The Corporation has a Memorandum of Understanding in place with MCA for its projects that provides for the inclusion of minimum works to be executed by Mohawk contractors and workers. FBCL and its SIBC subsidiary in Cornwall has a long history of positive contribution to its local community as a reliable source of employment for members of the local Indigenous community.

Additionally, the SIBC subsidiary recognizes both National Indigenous Day and National Day for Truth and Reconciliation in various ways, including recognition as statutory holidays, illuminating SIB's historic bridge pier orange, and highlighting orange markings throughout the crossing including the brightly painted orange feather located at the crosswalk. SIBC also emphasizes the use of the Mohawk language by displaying English, French and Mohawk on SIB prominent signs as well as introducing the Mohawk language to staff. Most recently, SIBC celebrated the wonderful talents of a local Akwesasne artist with the unveiling of a second prominent mural celebrating local culture and activities. A third mural is projected to be displayed along the crossing in fiscal 2024-25.

In Cornwall, the Crown-mandated free passage for members of the Mohawk community represents over \$7.0M in uncollected revenue each year. These factors combined with local economic factors, results in the Cornwall location operating at deficits, before government funding. As they are prohibited by the bi-national bridge agreement with the GLS, deficits would significantly impact the international relationship at this location.

While this revenue remains unrecoverable for legitimate reasons, the crossing facilities continue to experience a proportional level of wear and depreciation that cannot be redressed through tolling. Approximately 80% of passenger vehicles and nearly 40% of commercial trucks making the crossing are exempt from tolls. These rates have continued to increase over the past decade, and have heightened since the pandemic. This results in a cost level that is disproportionate to the subsidiary's revenue base. A new mechanism of funding support such as regular federal subsidies or alternate revenue sources will be required to ensure that deficits are prevented.

In Point Edward, the BWB resides in an area of significant historical importance for the Aamjiwnaang First Nation. A Memorandum of Understanding is in place with this community that reflects a common respect of the region's history and establishes a protocol of consultation for certain projects and a partnership when Indigenous discoveries are made. A historic cemetery is maintained on the grounds of the BWB per long-established agreement with Aamjiwnaang First Nation and respectful ceremonies are enabled by the Corporation in respect of Indigenous Peoples. Ongoing dialogue with Aamjiwnaang First Nation leadership on current issues permits a respectful and cohesive relationship.

## Equitable Workforce

FBCL supports developing and sustaining a high-performing workforce that ensures good governance, and an inclusive, safe, barrier-free workplace that embodies our values of respect for people, respect for democracy, integrity, stewardship and excellence in its actions and decisions.

The Corporation has an Employment Equity, Diversity and Inclusion policy, with three guiding principles:

1. An equitable, diverse and inclusive workplace where no person is denied employment opportunities or benefits for reasons unrelated to ability or job requirements;
2. Management demonstrates effective leadership by promoting and contributing to employment equity, diversity and inclusion in the workplace; and,
3. Organizational policies and practises respect and promote equity, diversity and inclusion.

Additionally, all employees complete a Self-Identification to ensure as an employer we understand FBCL's current workforce and as a central piece of FBCL's commitment to equity, diversity and inclusion. The questionnaire covers eight dimensions: age, gender identity, sexual orientation, Indigenous identity, visible minority identity, population group, disability and language.

FBCL also promotes and engages discussion on diversity, inclusion and pay equity through a committee made up of employee, management and union representation. Furthermore, FBCL has a Social Committee and a Benefit Review Taskforce, which provide feedback on how to better support and leverage skills, increase cultural expertise and awareness and finally develop cultural competency with employees.

The Corporation leverages partnerships to increase diversity in our hiring practices for Indigenous peoples, Indigenous with disabilities, and those with disabilities and those with barriers to employment. FBCL has adapted its recruitment and selection process to provide an increasingly equitable and accommodating recruitment approach thus enhancing the likelihood of receiving and considering a diversity of candidates.

The Government is committed to addressing systemic inequities and disparities that remain in our workforce and institutions. It will collaborate with various communities, and actively seek out and incorporate the diverse views of Canadians. This includes women, Indigenous Peoples, Black and racialized Canadians, newcomers, faith-based communities, persons with disabilities, LGBTQ2S+ Canadians, and in both official languages. The Government remains committed to ensuring that public policies are informed and developed through an intersectional lens, including applying frameworks such as Gender-based Analysis Plus (GBA Plus) and the quality of life indicators in decision-making.

FBCL's staff volume is too low for a statistically significant analysis of any of its employment parameters. While not driven by specific employment targets, FBCL benefits from a broadly diverse workforce. FBCL is a model employer in a number of notable employment categories including but not limited to gender and linguistic diversity of both staff and Board of Directors. More specifically, bilingualism is actively used at work, there is very visible and equitable representation from women in positions of authority; and other diversity factors such as age, disabilities, ethnicity (including Indigenous peoples), and cultural background are well represented.



Workplace Demographics	FBCL (2023)	SIBC (2023)	Federal Public Service March (2022)
<b>Board of Directors</b>			
Designated Groups	85%	74%	Not reported
Employees in regions	85%	100%	58%
National Capital Region	15%	0%	42%
<b>Employment Status (Permanent employees)</b>			
Full- Time	82%	83%	81%
Part-Time	18%	17%	19%
<b>Gender</b>			
Employee Women	49%	52%	56%
Executive Women	40%	0%	53%
Leadership Women	46%	60%	
<b>Official Language</b>			
Indicate English as first language	87%	96%	72%
Indicate French as first language	13%	4%	29%
<b>Self-Identification/BIPOC</b>			
Indigenous Peoples	9%	35%	5%
Persons with Disabilities	4%	9%	6%
Members of Visible Minorities	13%	9%	20%

FBCL promotes a healthy and respectful workplace that is intrinsically tied to diversity and inclusion. Instilling such a culture requires acceptance and participation by all employees at all levels. FBCL supports its employees in the achievement of related objectives through multiple methods. The “tone from the top” sets clear expectations that behaviour inconsistent with FBCL’s culture is not tolerated. This direction is reinforced by corporate policies concerning behaviour and conduct in the workplace, such as harassment prevention, workplace violence prevention, values and ethics, and internal dialogue on topics such as mental health and wellness. Furthermore, FBCL is also undertaking a comprehensive review and enhancement of its health and safety program in alignment with its culture.

FBCL published its 2023-2026 Accessibility Plan in early 2023. This document identifies the priorities and activities that the FBCL will undertake by proactively identifying, removing, and preventing barriers to accessibility for its employees and customers. The corporation will publish progress reports against this plan on an annual basis. This plan will be updated every three years as the corporation is committed to continuous consultation of people with disabilities and integrating the feedback received into future plans. The FBCL is strongly committed to a barrier-free Canada. The plan highlights our path forward. Within the plan FBCL has identified areas of focus that will be reported on which include employment, the built environment; information and communication technologies; other communications; the procurement of goods, services and facilities; and the design and delivery of programs and services.

## Budget 2023

Budget 2023 announced government-wide spending reductions, including spending by certain Crown corporations. The Government committed to:

- reduce spending on consulting, other professional services, and travel by roughly 15 percent of planned 2023-24 discretionary spending in these areas; and
- phase in a roughly 3 percent reduction of eligible spending by 2026-27.

On April 4, 2023, FBCL received notice from the Treasury Board of Canada Secretariat that it was excluded from these spending reductions as the corporation's operating base is below the threshold established for the exercise and was encouraged to exercise sound fiscal management in line with the exercise.

While FBCL is not directly scoped into these spending reductions, FBCL aligns with the spirit of the reductions, which is to bring the pace and scale of the growth of government spending back to a pre-pandemic path, in order to ensure that Canadians' tax dollars are being used efficiently and being invested in the priorities that matter most to them.

**Consulting, other professional services and travel:** In 2019-20, travel costs totalled \$229,000. At the onset of the pandemic, travel was immediately cancelled and reintroduced in 2022-23 where \$120,000 was incurred on travel (2020-21: \$13,000, 2021-22: \$34,000). Travel is projected to be \$130,000 in 2023-24. The organization reduced its travel costs in 2022-23 by implementing a combination of virtual and in-person board meetings as well as relying more on virtual meetings and has continued since then to implement this travel strategy. Since the spirit of the spending reductions was already implemented by FBCL, no further reduction is considered necessary in order to align FBCL with Budget 2023. In 2024-25 and the remainder of the planning period, travel costs will continue to be monitored with similar prudence as in recent years, utilizing virtual meetings where feasible.

The corporation relies on consultants primarily to ensure compliance with legislation including but not limited to engineering firms to carry out bridge inspections in order to comply with the *IBTA*, translation services to comply with the *Official Languages Act*, and internal audit firms to comply with the *FAA*. Additionally, the corporation will use the expertise of consultants rather than having personnel on staff if it is deemed to be more cost effective to outsource such expertise, which includes but not limited to outsourcing of the corporate secretary role, legal expertise on HR and other matters, and contract administration for significant capital projects<sup>3</sup>. This strategy has been used by the corporation since its inception in 2015 and was also used by its legacy corporations pre-2015. During the pandemic, the corporation did not incur additional costs for new consulting or professional services and consequently continues to be in-line with pre-pandemic spending. Consequently no reduction of spending on consulting and professional services is considered necessary over the planning period in order to align FBCL with Budget 2023.

**Reduction of eligible spending:** Pre-pandemic, operating expenses excluding depreciation was \$30.7 million. When adjusting the 2019-20 expenses of \$30.7 million for inflation (18.26% per the Bank of Canada), in 2023-24 dollars, expenses would be \$36.3 million. This amount is also consistent with the 2023-24 budget value of \$36.1 million and the budget for 2024-25 is \$36.1 million. Thus FBCL's budget has remained consistent with pre-pandemic spending and consequently FBCL's expenses currently follow the spirit of Budget 2023, as expenses continue to be in-line with pre-pandemic spending. Operating expenses over the planning period also remain consistent with pre-pandemic spending and are therefore in line with the spirit of Budget 2023.



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<sup>3</sup>Value of consultants can vary from year to year based on legislative requirements such as, but not limited to, type of bridge inspections to be conducted or number of capital projects undertaken, for example.



# Abbreviations

BWB	Blue Water Bridge
CBP	Customs and Border Protection
CBSA	Canada Border Services Agency
CEO	Chief Executive Officer
CFIA	Canadian Food Inspection Agency
ESG	Environmental, Social, and Governance
FAA	Financial Administration Act
FBCL	Federal Bridge Corporation Limited
GBA Plus	Gender-based Analysis Plus
GBCF	Gateways and Border Crossings Fund
GHG	Greenhouse Gas Emission
GHIB	Gordie Howe International Bridge
GLS	Great Lakes Saint Lawrence Seaway Development Corporation
IBTA	International Bridges and Tunnels Act
IFRS	International Financial Reporting Standards
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
MCA	Mohawk Council of Akwesasne
MDOT	Michigan Department of Transportation
NTCF	National Trade Corridors Fund
SIB	Seaway International Bridge
SIBC	Seaway International Bridge Corporation Limited
SSMIB	Sault Ste. Marie International Bridge
SWOT	Strengths Weaknesses Opportunities and Threats
TCFD	Task force on Climate-related Financial Disclosure
TIIB	Thousand Islands International Bridge
UNWTO	United Nations World Tourism Organization

# Acknowledgments

The Federal Bridge Corporation Limited wishes to acknowledge and recognize the invaluable assistance received from its international bridge partners in planning, operating and realizing capital projects at all crossings:

- The International Bridge Administration;
- The Michigan Department of Transportation;
- The Thousand Islands Bridge Authority; and
- The Great Lakes Saint Lawrence Seaway Development Corporation.

The preparation of this plan was accomplished with the dedicated cooperation and collaboration of many individuals. It is intended to provide complete and reliable information as a basis for the establishment of governmental approvals, managerial decisions, and to ensure the diligent stewardship of the assets and resources of the Corporation.

