



**The Federal Bridge  
Corporation Limited  
Corporate Plan Summary**

**2012-13 to 2016-17  
2012-13 Operating Budget  
2012-13 Capital Budget**

## Table of Content

Executive Summary .....	3
1.0 Corporate Profile .....	4
2.0 Governance and Accountability .....	8
3.0 Operating Context, Risks and Strategic Issues .....	10
4.0 Objectives, Activities, Strategies and Performance Measures .....	14
5.0 FBCL Pro Forma Consolidated Financial Statements .....	23
6.0 Operating and Capital Budgets .....	26
Appendices .....	28
Appendix A – Financial Summaries by Location .....	29
Appendix B - PAA and FBCL Logic Model Description .....	33
Appendix C – List of Abbreviations .....	35

---

## EXECUTIVE SUMMARY

The Federal Bridge Corporation Limited (FBCL) owns, manages and operates bridges and associated structures in four geographical locations in Ontario and Quebec with a governance model that includes three subsidiaries (The Jacques Cartier and Champlain Bridges Incorporated (JCCBI) in Montreal, The Seaway International Bridge Corporation, Ltd. (SIBC) in Cornwall and St. Mary's River Bridge Company (SMRBC), in Sault Ste. Marie). FBCL also owns the Canadian portion of the Thousand Islands International Bridge in a bi-national agreement with the Thousand Islands Bridge Authority (TIBA). FBCL's mandate is to provide the highest level of stewardship so that its bridge structures are safe and efficient for users. FBCL bridges and associated structures continue to play a vital role in connecting Canada's transportation and economic network with the world. FBCL endeavours to continue to deliver on its three key strategic issues identified in the report: bridge safety, sustainable funding and corporate structure.

In Budget 2011, the government committed to embark on the next phase of Canada's Economic Action Plan focussed on building a stronger economy. FBCL's mandate directly supports these objectives by providing essential, safe and efficient bridge corridors allowing the flow of traffic and goods within Canada and across the U.S. border including broader international destinations. It is estimated that these crossings carried some 139 million vehicles per year and over \$67B of merchandise, making them amongst the busiest in North America.

### Accomplishments and Moving Forward

FBCL's first priority is ensuring safety at all times on all of its structures. Fiscal year 2011-12 has proven to be a very successful year for FBCL and its subsidiaries. At the international crossing in Cornwall, the much anticipated new low-level North Channel Bridge (NCB) construction is underway and a historical Memorandum of Understanding (MOU) between FBCL and the Mohawk Council of Akwesasne (MCA) was signed related to the project. The Sault Ste. Marie Canadian Plaza rehabilitation designs were completed and approved by Canada Border Services Agency (CBSA) with some land acquisitions completed. SMRBC is continuing the process of acquiring the remaining properties required before construction can begin. Domestically, FBCL and its subsidiary JCCBI's long-standing efforts in regards to the future of the Champlain Bridge have culminated in a key government decision for the building of a new bridge across the St. Lawrence.

The announcement of a new bridge for Montreal also brings an important strategic shift for FBCL and its subsidiary JCCBI as the actual bridge corridor project will be led by Transport Canada (TC). In the interim, the 10-year major repair program of the existing Champlain Bridge will continue and inspections and rehabilitation works required to ensure the safety of the infrastructure will be delivered. The Honoré Mercier Bridge rehabilitation in Montreal continues and timelines have been extended to 2012-13 due to jurisdictional issues between the Mohawk community and the Province of Quebec as well as additional infrastructure works on the Quebec portion of the bridge.

In addition to these projects, the subsidiary JCCBI delivered on the first year of the three year \$227.6M funding for urgent repairs and asset preservation in Montreal on Highway 15, the Bonaventure Expressway, the Jacques Cartier Bridge, the Honoré Mercier Bridge, the Melocheville Tunnel and the Champlain Bridge Ice Control Structure.

### Corporate Oversight and Finance

International bridges are experiencing increased financial pressures to meet the self-sufficiency model as the tolls do not generate enough revenue to build reserves to fund major rehabilitation or replacement projects which are currently being funded directly by government appropriation or contributions. Also, the obligations of the *Customs Act (Section 6)* that require bridge operators to provide facilities for CBSA and to fund through tolling revenues. This results in fundamental policy differences between Canadian and U.S. bridge operators who have the customs facilities provided and maintained by a separate agency with distinct funding.

For domestic bridges, the financial sustainability issue is that major infrastructures and major repair projects (except Champlain Bridge) are being funded on a short-term basis which limits the ability to bundle long-term works in contracting and has resulted in delays in construction due to the timing in receiving funds through the government budgetary cycle.

Overall for the five-year planning horizon, FBCL anticipates stability in its revenue with a short-term increase in parliamentary appropriations, contributions and expenditures as it delivers major capital projects at both international and domestic bridge locations. Dependent on future government policy and funding decisions, this trend is expected to continue for federal domestic bridges in Montreal over the next ten years to address infrastructure risks.

FBCL has built strong relationships with its partners. With the successful execution of its 5-year plan, FBCL will continue to deliver on its large key projects. FBCL takes pride in its proven ability to provide the support and expert advice on the future of its bridges and associated structures to ensure government has the right information to make decisions to ensure the safety of the users of its assets.

## 1.0 CORPORATE PROFILE

### 1.1 Mandate

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

### 1.2 Who we are

FBCL is a parent Crown corporation operating at arm's length from the federal government. As a Crown corporation, FBCL is subject to the accountability regime set out in Part X of the *Financial Administration Act* (FAA). It is accountable to Parliament through the Minister of Transport, Infrastructure and Communities with the assistance of the Minister of State (Transport) who are responsible for the Corporation, including the provision of broad policy direction and response to questions in Parliament for FBCL activities.

Headquartered in Ottawa, FBCL owns, manages and operates bridges and associated structures in four geographical locations with a governance model that includes three subsidiaries and three international partners.

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

### 1.3 Legislation and Responsibilities

Headquartered in Ottawa, FBCL is an Agent Crown corporation listed under Schedule III-I of the FAA, incorporated in 1998 under the *Canada Business Corporations Act* (CBCA). FBCL's Articles of Incorporation outline that the business shall, in essence, be limited to:

- a) acquiring lands for, and constructing, maintaining and operating bridges connecting Canada with the United States, and, as authorized by the *St Lawrence Seaway Authority Act* (SLSAA), acquiring shares or property of any bridge company and operating and managing bridges;
- b) acquiring lands for, and constructing or otherwise acquiring, maintaining, managing and operating such works or other property as the Governor in Council may deem necessary;
- c) acquiring or becoming the transferee of all or part of The St. Lawrence Seaway Authority (SLSA) property, rights or undertakings transferred by SLSA; and
- d) with the approval of the Governor in Council, leasing to any person any lands, property or water-power held in its name/control or in the name of SLSA or held in the name of Her Majesty.

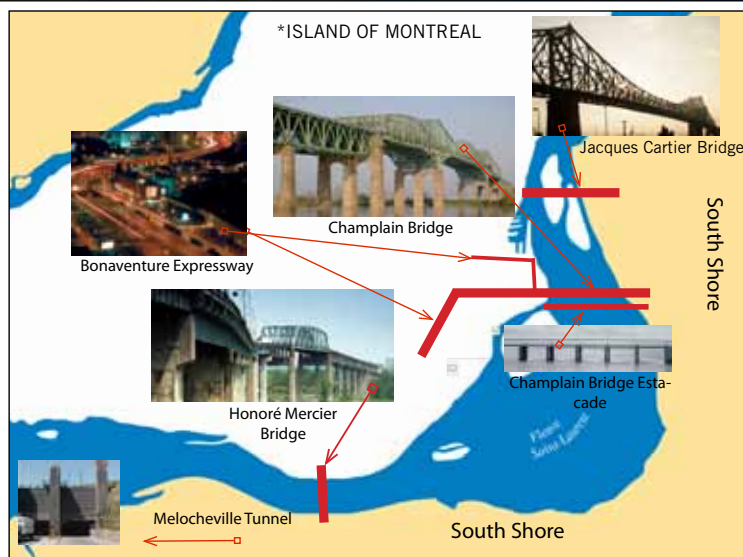
The transfer from SLSA included certain properties and structures, as well as the interests of SLSA in the issued and outstanding shares of its wholly-owned subsidiaries, JCCBI in Montreal and, in a joint venture with its U.S. partner, the SIBC in Cornwall. At the same time, FBCL assumed responsibility for the Canadian portion of the TIBA - a U.S. government organization) being the operating agency. FBCL has ultimate responsibility for all repair and maintenance of the Canadian facilities under a bi-national agreement.



In 2000, FBCL acquired a 90.7% ownership in SMRBC, which acquired the Canadian half of the Sault Ste. Marie International Bridge from IBA, the U.S. government agency that operates the crossing. IBA reports to a joint international board of directors, the Sault Ste. Marie Bridge Authority (SSMBA). On July 18, 2008, SMRBC was continued under the CBCA (section 187) from which SMRBC derives its borrowing authority. In September 2009, FBCL acquired all of the outstanding shares so that SMRBC is now a Crown corporation and a wholly-owned subsidiary. A new international agreement between the owners of the bridge, SMRBC and the Michigan Department of Transportation (MDOT) came into effect in June 2009.

## 1.4 Map of Structures

The map below provides a visual representation of the geographic location of each of the FBCL structures in Ontario and Québec.



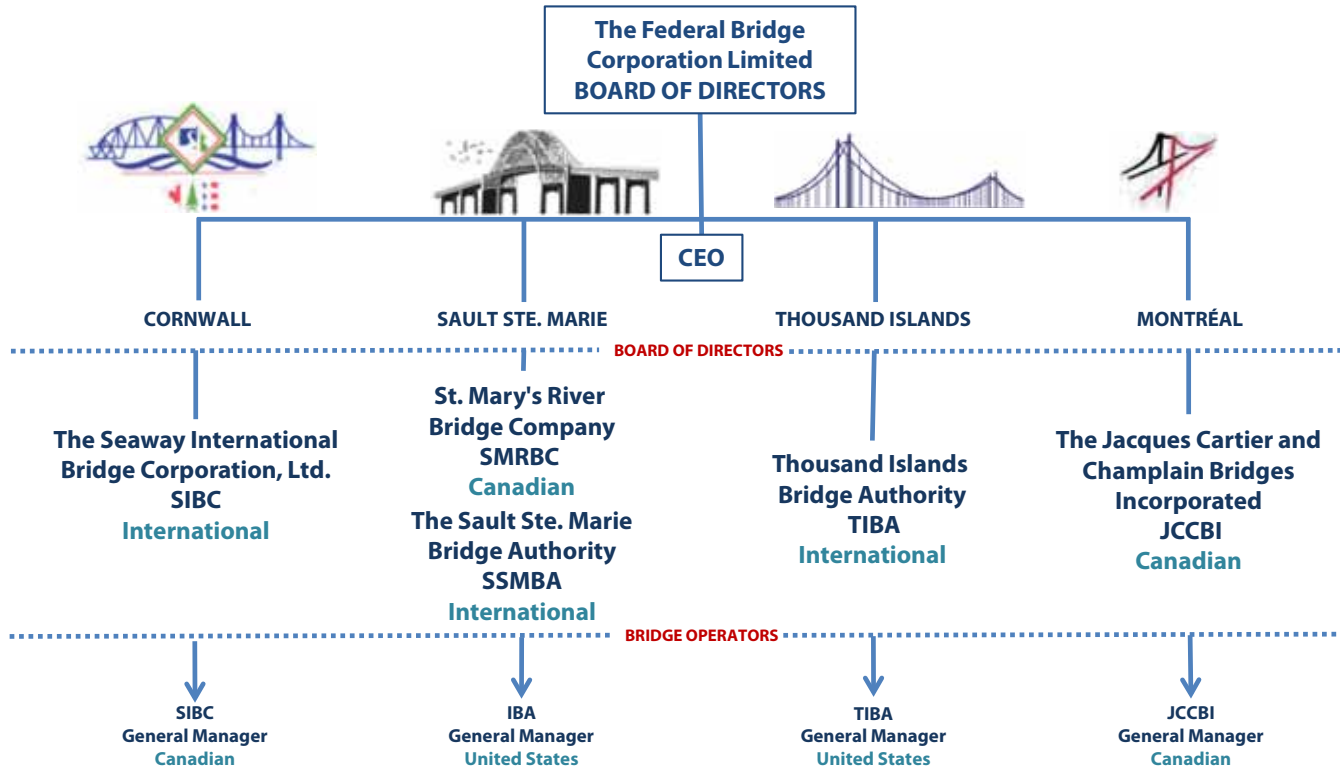
## 1.5 Summary of Operations

NAME	FBCL (HEADQUARTERS)	THE SEAWAY INTERNATIONAL BRIDGE CORPORATION, LTD. (SIBC)	THE THOUSAND ISLANDS BRIDGE AUTHORITY (TIBA)	THE ST. MARY'S RIVER BRIDGE COMPANY (SMRBC)	THE JACQUES CARTIER AND CHAMPLAIN BRIDGES INCORPORATED (JCCBI)
BRIDGE CLASSIFICATION		International	International	International	Domestic
ESTABLISHED	1998 under the CBCA	1962 under the <i>Canada Corporations Act</i> , continued in 1979 under the CBCA.	International agreement originating in 1976.	1955 as a not-for-profit organization; continued in 2008 under the CBCA	1978 under the CBCA
STATUS WITHIN FBCL	Parent Company	Wholly-owned subsidiary. Joint venture between FBCL and the St. Lawrence Seaway Development Corporation –SLSDC (U.S.).	U.S. bridge operating agency managed by international agreement.	Wholly-owned subsidiary	Wholly-owned subsidiary
BOARD OF DIRECTORS	Four Directors appointed by Governor in Council.	Each venturer nominates four Directors in accordance with the bi-national agreement. All eight Directors are appointed by FBCL, with the U.S. Directors appointed on the recommendation of SLSDC.	Headed by a U.S. Chair, assisted by six Authority Directors, three U.S. and three Canadian. All seven Directors are appointed by the Jefferson County Board of Legislators, the Canadian Directors being appointed on the recommendation of FBCL.	Nine Directors, appointed by FBCL. Joint owners of Sault Ste. Marie International Bridge (SMRBC and MDOT). Each owner nominates four Directors to The Sault Ste. Marie Bridge Authority (SSMBA) in accordance with the bi-national agreement.	Five to seven Directors appointed by FBCL.
PRIMARY RESPONSIBILITY	100% ownership of JCCBI, SIBC and SMRBC. Owner of Canadian bridges and associated structures at international crossings in Cornwall and Thousand Islands. Responsible for oversight and major rehabilitation.	Operation of international crossing at Cornwall, including a land corridor across Cornwall Island and two bridges. The NCB located in Canada and owned 100% by FBCL. The South Channel Bridge, which spans the international border and is owned 32% by FBCL (portion in Canada) and 68% by its U.S. counterpart, SLSDC.	Oversight of international crossing consisting of separate Canadian and U.S. bridges plus small jointly owned bridges in the middle.	Owner of Canadian half of the international bridge and associated structures in Sault Ste. Marie. Appointment of Canadian Directors to SSMBA. Responsible for the rehabilitation of Canadian Customs facilities.	Ownership and management of six major bridges and associated infrastructures in the Greater Montreal Region including: – Jacques Cartier Bridge – Champlain Bridge – Honoré Mercier Bridge (federal section) – Melocheville Tunnel – Bonaventure Expressway – Champlain Bridge Estacade

## 1.6 Use of Funds

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

## 2.0 GOVERNANCE AND ACCOUNTABILITY



### 2.1 FBCL Board

#### Responsibility

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

#### Independence

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

### 2.2 Committees of the FBCL Board

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

#### Audit Committee

The role of the audit committee is as mandated by section 148 of the FAA. The audit committee is responsible for making recommendations to the Board in matters of oversight in the areas of standards of integrity and behaviour, the reporting of internal and external audits, financial information, management control practices, risk management and insurance needs.



## 2.3 FBCL Portfolio

As the parent Crown, FBCL manages activities throughout the Corporation in support of its wholly-owned subsidiaries within the limitations of the current governance structure. FBCL aims to assume a major coordinating role in finance, strategic planning and reporting, communications, human relations, bridge management and the setting of corporate policy. It focuses on improving communications and transparency both internally and with external stakeholders by identifying core messages to achieve greater consistency and by ensuring the timely flow of information for the benefit of all.

Each subsidiary is governed by a Board of Directors whose members are appointed by the FBCL Board pursuant to section 106 of the CBCA. Subsidiary Boards are also governed by the duties and responsibilities set out in the FAA. Each subsidiary Board is responsible for establishing the necessary board committees to ensure appropriate oversight of the subsidiary for which they are accountable. FBCL is also responsible for nominating the Canadian Directors to be appointed by TIBA to whom the U.S. bridge operator reports at the Thousand Islands International Bridge.

---

## 3.0 OPERATING CONTEXT, RISKS AND STRATEGIC ISSUES

### 3.1 Operating Context

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

#### Federal Government Priorities

##### Budget 2012

Budget 2012 announced the continuation of the Economic Action Plan 2012 with important steps to address structural challenges and ensure the sustainability of public finances and social programs for future generations. Economic Action Plan 2012 focuses on the drivers of growth and job creation—innovation, investment, education, skills and communities. Underpinning these actions is the ongoing commitment to keeping taxes low, which is central to the Government's long-term economic plan.

All of these initiatives have an impact on FBCL and its subsidiaries. Below are some of the programs that directly affect our bridges:

- **Strengthening Canada's Public Infrastructure and Funding to Upgrade and Modernize Federal Infrastructure** - continuation on FBCL's major projects on its bridges and associated infrastructures
- **Investing in Border Infrastructure** – funds for modernizing security of customs facilities at international bridges
- **Building a New Bridge over the St. Lawrence** – new bridge to be built and managed by the government will change the role of FBCL and JCCBI in Montreal
- **Improving Conditions for Business Investment** – reducing time and increasing effectiveness and efficiency of environmental assessments and the positive effect of travellers exemptions on cross-border traffic

#### Border Plan

Another new government initiative is the Declaration on a Shared Vision for Perimeter Security and Economic Competitiveness. The department of Public Safety and the U.S. department of Homeland Security have been developing a border action plan. The plan sets out a range of initiatives to promote security and support trade and economic growth, by improving the shared border, by addressing security threats and by supporting prosperity through improved cross-border trade. FBCL will explore the impact that this initiative may have on costs associated with FBCL's responsibilities under the *Custom's Act (Section 6)* at its CBSA facilities on International Bridges.

#### Economic Situation

The Bank of Canada's analysis of Canada's economic situation highlights the influence of worldwide trends such as the ongoing European debt crisis, potential recessions in some markets and ongoing socio-political changes worldwide. The impact of a renewed slowdown in the United States has a much larger and direct impact on Canada due to its position as the country's largest trading partner. The uncertainty in Canadian exports has impacted cross-border trade, traffic volume and by extension, tolling revenue on international bridges. FBCL must continue to review its plans to ensure long-term financial sustainability of its operations at all international crossings.

#### Traffic Patterns

At international crossings, fluctuations in the value of the Canadian dollar continued to impact traffic patterns. As the dollar rose, there was an increase in passenger vehicle traffic to the U.S. and lower export volumes, thus a decrease in commercial traffic; as the dollar declined the opposite occurred however, at a much slower pace. Other factors, such as variations in gas prices and the decrease in consumer spending, affected tourism and traffic patterns. The overall transits at FBCL's international crossings increased by 2.9% but commercial transits decreased by 0.4%. However, at the Cornwall crossing overall transits increased by 8.1% and commercial transits increased by 2.1% due to ongoing recovery from 2009 closure.

The Greater Montreal Area transportation network is fully integrated with important population shifts to the South Shore which creates a continuous extension of the rush-hour traffic. Any disruption to traffic flow due to planned works or a

specific incident has significant repercussions across the entire region. This environment leads to the requirement for most works to be completed off peak hours contributing to higher costs. The completion of Highway 30, scheduled for the end of 2012 is expected to divert some traffic, particularly commercial traffic, away from the core of Montreal.

## Stakeholder Relationships

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

International bridge operators are required to provide facilities for CBSA under the *Customs Act (Section 6)* which is proving to be increasingly challenging as the security requirements of CBSA continue to increase. In Montreal, the biggest challenge for stakeholder relationships is the complex integration of the Greater Montreal Area transportation network. The level of coordination required ensuring the lowest level of traffic disruptions during repair and maintenance work has grown exponentially as each organization manages the risks of its own aging infrastructure. In October 2011, the Minister of Transport, Infrastructure and Communities announced the construction of a new bridge over the St. Lawrence, replacing the existing Champlain Bridge, possibly through a Public Private Partnership (PPP). A high degree of coordination will be required to manage the infrastructure risk on the whole Champlain Bridge corridor until the replacement is completed.

## Aboriginal Communities

Bridges and associated structures in both Cornwall and Montreal are located on, adjoin or cross the Mohawk reserves of Akwesasne and Kahnawake, which adds to the complexities of operating these crossings. In Cornwall, the current construction of a new North Channel Bridge (NCB) has required extensive liaison with the Mohawk community to realize. In August 2010, FBCL and the Mohawk Council of Akwesasne (MCA) signed an historical MOU, the purpose of which was to provide the assurance of opportunities for the Mohawks of Akwesasne to maximize the economic benefits flowing from the Bridge Project for its community.

In Montreal, Mohawk contractors and skilled Mohawk steel workers are participating in the major rehabilitation of the Honoré Mercier Bridge infrastructure that crosses the Kahnawake reserve. As project lead, the subsidiary JCCBI must navigate through the ongoing jurisdiction issues between union and non-union labour and the Quebec government to proceed with the deck replacement.

## Environmental Obligations

FBCL must respect all applicable environmental legislation including where required, the completion of environmental assessments (EA) in the delivery of its projects. A harmonized EA for the replacement of the existing NCB and associated work in the corridor was conducted by FBCL, in cooperation with MCA. An environmental assessment for the modernization of the Canadian Plaza in Sault St. Marie was commissioned by FBCL. At the domestic bridges in Montreal, JCCBI is participating in the Federal Contaminated Sites Action Plan (FCSAP) administered by Environment Canada to address mitigation measures required to contain and treat contaminated groundwater on lands that border the Bonaventure Expressway and the St Lawrence River. It is also working with a number of owners and stakeholders to communicate its plans and progression on this file with positive results to date.

### 3.2 Strategic Issues and Risks

**Contribution of strategic issues and risks to the strategic outcome** –The following sections describe how each strategic issue /key risk area affects FBCL's Strategic Outcome "To provide safe and efficient transit on the infrastructure maintained, operated and managed by the FBCL". Each of these key risk areas or issues is interrelated, as to achieve the safety of bridges, FBCL must have sustainable funding and a strong corporate structure in place.

#### 3.2.1 Bridge Safety

**There is a delicate balance between preserving the existing bridges and ensuring their safety at all times. There is a critical point where regular maintenance and repairs are no longer sufficient and decisions on major rehabilitation or replacement of structures is required. At that point, until replacement, the risk to safety of the bridges and associated structures is higher and the operating costs increase.**

FBCL's first priority is ensuring safety at all times on all of its structures. Specific assets, the Champlain and Honoré Mercier bridges in Montreal and the NCB in Cornwall are undergoing extensive works or replacement. FBCL had reached the critical point where regular maintenance and repairs were no longer sufficient and has received approval for the major

rehabilitation of the Honoré Mercier Bridge in 2009, replacement of the NCB in 2010 and the replacement of the Champlain Bridge (project being managed by TC) in 2011. In addition, the majority of other assets throughout the Greater Montreal Area also require specific works.

FBCL maintains its bridges and associated structures in accordance with applicable standards set by Canadian and U.S. federal agencies. It has a thorough inspection programs in place at all locations to ensure that the most up to date information is available to inform decision-making. In the management of international crossings, FBCL is also subject to the requirements and standards outlined in the *International Bridges and Tunnels Act (IBTA)* together with related regulations and codes under which specific and timely reporting to the Minister must be provided. The inspection reports completed for the international crossings at Sault Ste. Marie, Thousand Islands and South Channel Bridge in Cornwall evaluated them as being in good condition. In Cornwall, the replacement of the NCB has been initiated and is expected to be completed with demolition of the old structure by 2015-16.

The domestic bridges and infrastructure in Montreal have detailed annual inspections that are supplemented with non-destructive inspection techniques. Also, state of the art instrumentation has been deployed on the Champlain Bridge in order to monitor the behavior of critical bridge elements as part of its risk mitigation strategy. The rehabilitation of the Honoré Mercier Bridge has been extended to 2012-13 due to infrastructure issues on the Quebec portion of the bridge. As reported by the Montreal media in March 2012, Quebec Transport Minister announced the cancellation of the contract. The deck-replacement work will be delayed as impacts on the overall project and existing contracts are being assessed. The Champlain Bridge 10-year major repair program is now entering its 4th year in 2012-13 and will need to continue until the completion of its replacement.

### 3.2.2 Sustainable Funding

**Identified by the OAG in its 2008 Special Examination, financial sustainability is an essential component of the FBCL bridge mandate. The funding model and financial challenges for international crossings and domestic bridges in Montreal differ. At issue is the inability of FBCL to finance major capital projects and CBSA requirements at international crossings as well as the absence of sufficient and long-term funding to maintain the federal domestic bridges in Montreal.**

International bridges are experiencing increased financial pressures to meet the self-sufficiency model under which they are intended to operate. The premise is that toll revenues would cover operating and maintenance expenditures and capital expenditures would be funded by the accumulated share of net earnings. The tolls do not generate enough revenue to build reserves to fund major rehabilitation or replacement projects which are currently being funded directly by government appropriation or contributions (\$74.8M for the NCB in Cornwall and \$44.1M for the Sault St. Marie Customs Plaza Rehabilitation).

A primary factor is that FBCL international bridge operators are facing large funding requirements due to obligations of the *Customs Act (Section 6)* that require the operators to provide facilities for CBSA. FBCL is being further challenged in its ability to fund CBSA facilities with the operations and maintenance costs increasing at the Thousand Islands Bridge and the Cornwall crossings (new facilities being required).

Since the findings of the OAG report, FBCL's subsidiary, JCCBI in Montreal has received investments for specific asset needs or short-term operating requirements including:

- a 10-year \$212M major repair program on the Champlain Bridge that was initiated in 2009-10;
- an allocation of \$135M for the rehabilitation of the Honoré Mercier Bridge (federal portion) which was intended to be completed in 2012-13;
- 5-year (2011-12 to 2015-16) \$26M funding from Environment Canada through the Federal Contaminated Sites Action Plan (FCSAP) to address contaminated land issues at the Technoparc;
- 3-year (2011-12 to 2013-14 \$227.6M) of operating and capital funding to meet urgent safety repairs on its assets and address some asset preservation issues and for the initiation of further Champlain Bridge replacement studies including studies for the île des Sœurs Bridge; and
- In spring 2012, JCCBI completed an assessment of the île des Sœurs Bridge condition. Based on the findings of this report, it was determined with TC that JCCBI would have the responsibility of developing a temporary bridge replacement solution involving construction of a causeway. JCCBI was mandated to begin the planning of the temporary causeway and to develop detailed plans.

In each case above, these amounts represent temporary funding. There is essentially no mid or long-term funding for operations and capital requirements for the domestic bridge operations in Montreal. Economically, urgent works result in lost opportunities for long-term planning and optimization through multi-year works awards. Currently, the subsidiary

JCCBI is forecasting annual operating and capital expenditures (excluding the new bridge corridor) for the next decade at some \$130M per year. For JCCBI to meet its mandate and to deliver the required infrastructure projects within an effective timeline, funding for, at minimum the next 10 years must be envisaged (coinciding with the completion of any new bridge and decisions on tolling).

### 3.2.3 Corporate Structure

**FBCL's corporate structure involving a head office in Ottawa, three wholly-owned subsidiaries and two joint international boards of directors, including U.S. directors and U.S. bridge operators is quite complex. The primary issues, outlined within the Auditor General's 2008 Special Examination, are that the current model does not allow the FBCL Board to provide effective oversight for the affairs of the organization as a whole, to obtain the information it requires on timely basis and at regular intervals or to provide the CEO the authority and accountability for the performance of all of FBCL, including its subsidiaries.**

FBCL is a parent Crown corporation with complex governance including three subsidiaries and participating as a bi-lateral partner in three international bridge agreements. FBCL as the parent Crown corporation reports to Parliament through the Minister. FBCL was established in 1998 to oversee and be accountable for the bridges under its control and to provide strategic direction to the asset operators under its jurisdiction. While its mandate is to provide the highest level of stewardship so that its bridge structures are safe and efficient for users, the complex structure provides unique challenges in accountability.

The current corporate structure of FBCL creates an inappropriate accountability mandate for its oversight and reporting responsibilities. Financial resources in the subsidiaries do not flow-through and are not controlled by FBCL resulting in limitations in accountability.

## 3.3 Support of Government Direction for Expenditure Restraint

The Government of Canada is committed to fiscal prudence and accountability and expects all federal organizations including those that are not appropriated by Parliament, to adopt the spirit and intent of these initiatives. FBCL and its subsidiaries remain committed to vigilance in regards to the use of public funds and are respecting the government's direction to expenditure restraint.

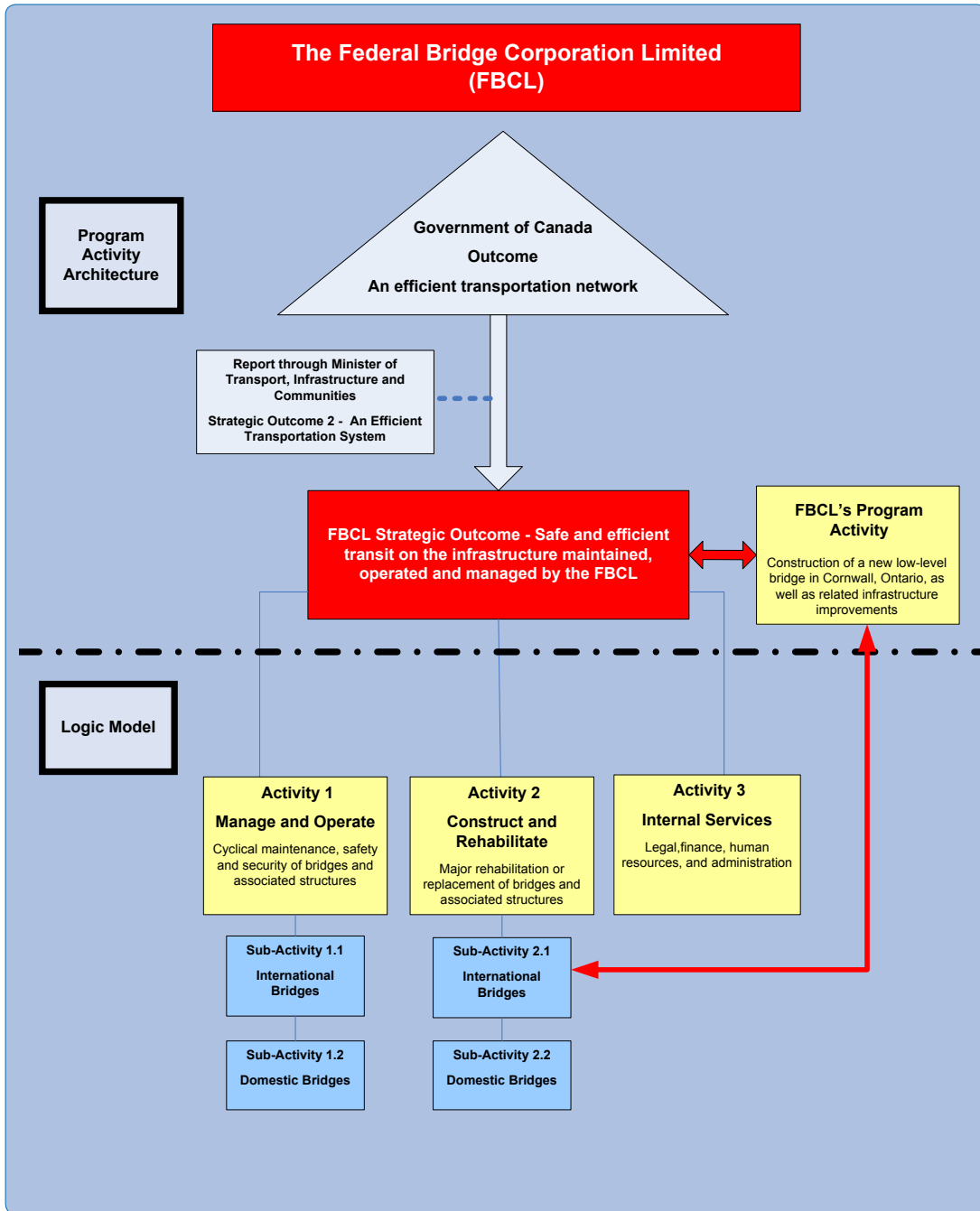
---



## 4.0 OBJECTIVES, ACTIVITIES, STRATEGIES AND PERFORMANCE MEASURES

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

(See Appendix B for detailed activity descriptions)



## 4.2 Activities

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

### 4.2.1 Activity 1 - Manage and Operate

#### Expected Result/Objective:

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

#### Strategies:

- Mitigate risks through regular bridge inspections, undertake all repairs within available funding and identify/prioritize long-term major rehabilitation requirements;
- Improve maintenance and operations by adopting innovative measures in construction techniques and materials, structural inspections tools and methodologies;
- Keep stakeholders and bridge users well informed on the status of works and resulting traffic disruptions using social media and other communication tools;
- Continue to work with CBSA to ensure safe and secure passage at all international crossings while allowing for the efficient flow of traffic;
- Continue to deliver the 10-year (\$212M) major repair plan for the Champlain Bridge; and
- Complete and provide all required engineering, legal and financial analysis in support of the 10-year funding proposal for federal domestic bridges in Montreal and seek the continued support of stakeholders in managing and improving bridge safety.

#### Specific Plans:

#### Communications

FBCL continues its efforts to strengthen communication links with the subsidiaries, the general public, and bridge users in particular. FBCL will continue to maintain a strong ongoing relationship with TC communications to ensure the availability of continuous information on all issues potentially having an impact on FBCL bridges and associated structures. FBCL with its subsidiaries have embraced social media as an effective tool for sharing timely information on its operations and special projects. Internet blog sites and Twitter accounts have been created for international bridges in Cornwall for the replacement of the NCB project and in Sault Ste. Marie for the customs plaza rehabilitation project (not active until project advances). In Montreal, Internet blog sites and Twitter accounts have been created for the three major bridges, the Honoré Mercier Bridge, and works on the Champlain Bridge and Jacques Cartier Bridge.

#### International Bridges

##### Cornwall

This international crossing is operated through an historical international agreement as a joint venture with a U.S. partner, SLSDC. This crossing includes two bridges, the NCB and the South Channel Bridge (SCB) linked by an international roadway corridor. This crossing serves both international travellers and the local Mohawk and Cornwall community for access to Cornwall Island.

**Bridge(s) condition and planned projects** - The SCB is considered to be in good condition according to inspection reports for the Canadian and American portions of the bridge. The application of a new corrosion protection coating system at the SCB is expected to be completed by 2013 at a total budgeted cost of \$22M (\$7M Canadian portion). Contract provisions support hiring labour from the Mohawk community. The new NCB is starting its second year construction in 2012-13 with a completion target of spring 2013 and demolition of the current bridge by 2015-16 (see project description in Activity 2 – Construct and Rehabilitate). The concrete deck of the existing NCB is rated in poor condition based on annual inspections however; repairs and maintenance will continue to ensure that the bridge can be operated safely until its replacement is completed.

## Thousand Islands

This crossing is managed by the TIBA, an entity of the State of New York, U.S. under a bi-national agreement between the asset owners, FBCL and TIBA. FBCL is directly responsible to oversee the inspection programs for the Canadian Bridge and the Rift Bridges and manage capital projects carried out at the Canadian Bridge, Rift Bridges and CBSA facilities. In June 2010, FBCL signed a new 10-year agreement with TIBA, extending its successful 40-year partnership.

**Bridge(s) condition and planned projects** – This year marks the 50th consecutive annual inspection and continues to demonstrate the good condition of the bridge. Major maintenance and capital projects planned in the next five years within the enclosed budgets are as follows:

- rehabilitation of concrete piers at the Canadian bridge;
- installation of new safety cables; and
- asphalt replacement at the Canadian maintenance garage.

## Sault Ste. Marie

This international crossing is managed by IBA, an entity of the State of Michigan, through a new international agreement effective June 2009, between the asset owners, SMRBC, and the IBA. This agreement updates the long-standing Canada-U.S. relationship at this crossing.

**Bridge(s) condition and planned projects** – An annual inspection of the bridge was carried out in August 2011. No items which require immediate attention and remedial measures to ensure public safety and structural integrity were identified. The annual inspection concluded that the overall condition of the bridge is good, due to the strength of the ongoing maintenance program. Regular maintenance activities consistent with the recommendations from the inspection report were carried out this year. Fracture critical member inspection of the Canadian spans of the Sault Ste. Marie International Bridge was also carried out in August 2010. No major deficiencies were discovered and all inspected fracture critical members are in good structural condition throughout. Major works planned for the next five years is the repainting of the Bridge in 2015-16 and these works are reflected within the enclosed budget.

## Domestic Bridges

**Finance** - Over the next five years, JCCBI's planned projects and levels of expenditure include specific works previously identified in the prior year corporate plan. The initial 3-years of works were fully funded as part of Budget 2011 and this current Corporate Plan includes Year 2 and Year 3 of these works. The projects can be categorized as mandatory to ensure bridge safety or related to asset preservation. Where possible, works are combined in order to achieve economies of scale and ensure efficiency and value for money for Canadians.

### Bridge(s) condition and planned projects

#### 1. Jacques Cartier Bridge

Recent inspection reports identified the following required works:

- the upper portion of the piers that will need important repairs to maintain the structural integrity;
- repairing expansion bearings which transfer the loads from the steel trusses to the steel support towers and/or concrete piers;
- urgent steel works slated for 2012 and 2013 ;
- safety access devices (critical life-line), including an access platform (catwalk) that in several instances are severely damaged need repairs in order meet current safety standards;
- painting system maintenance in 2012-13 required before full replacement is needed;
- paving works considered urgent due to extent of rutting on sections of bridge, roadways and overpasses and the age of the pavement; and
- the underground drainage system rehabilitation, (Longueuil side) concurrently with the planned work to the roadways in 2013-14 and beyond.

## 2. Bonaventure Expressway

Based on the important projected costs to maintain the city of Montreal's portion of the expressway, the City has opted to demolish its sections and to replace them with a ground level urban Boulevard (phase 1 of the Société du Havre de Montréal's (SHM) vision 2025 project). The elevated portion under federal jurisdiction and the municipal portion which spans the Lachine Canal will need to be maintained for at least the next 10-15 years. Due to the age and current deteriorated condition, major maintenance works include:

- concrete works on the elevated portion of the expressway that are considered as urgent and are a continuation of a program started in 2009; and
- extensive repairs of ground level sections and viaduct works including two viaducts linking Highway 15 to the Bonaventure expressway planned for 2014 and 2015.

## 3. Champlain Bridge

The government in 2009 announced an important special 10-year major repair program in the amount of \$212M for the Champlain Bridge. Additional funding was approved in the 3-year 2011 funding announcement for specific works which include:

- paving operations;
- upgrade of inspection access devices;
- cost adjustments to install the edge-beam external support system (Queen-post system) to the 100 exterior beams;
- increased costs to intervene on the expansion joints which are now failing on a regular basis and require immediate attention; and
- two ground level sections located immediately after the Champlain Bridge needing major rehabilitation and pavement replacement, including drainage and roadside barriers.

## 4. Melocheville Tunnel

This asset is nearing the end of the design life of asphalt pavement. By the year 2013 and 2014, the paving will have to be replaced. Work is required to:

- repair the upper surface of the concrete of the tunnel footing;
- repair concrete surfaces (with risks of spalling concrete);and
- repair/protect the tunnel's footing, roadway repair work along the approaches and replace/upgrade mechanical systems.

## 5. Champlain Bridge Estacade

The Estacade is currently used as a bike path but is also used by heavy trucks and cranes for JCCBI's maintenance work and the Seaway in the event of an emergency. Furthermore in 2011, as an exceptional measure, the Estacade was used to carry buses as a mitigation measure resulting from lane closures by the MTQ on the Honoré Mercier Bridge. Major repairs include:

- the railing tubes and railing anchors that will need a complete replacement by 2013; and
- selective local underwater repair to the piers (cracks in steel casings).

## 6. Environment

An important environmental file for FBCL relates to contaminated lands situated on the Bonaventure sector in Montreal (Technoparc sector) that are partially owned and have been managed by the subsidiary JCCBI since 1978. This site covers several properties belonging to various owners, including the government of Quebec. These lands have been designated as East and West sectors based on ownership and contamination types. Since 2003, JCCBI has been carrying out investigations and ground-water toxicity tests of these parcels of land and undertaken feasibility studies to determine the required mitigation measures. JCCBI is currently participating in the FCSAP program and has funding in place for the next two years for further studies to address mitigation measures required to contain and treat contaminated groundwater.

A feasibility study for confinement and the extraction of hydrocarbons for the eastern sector is being planned. For the western sector, a Design-Build-Operate-Transfer (DBOT) project is in the final stages. The project is being planned with its partner MDDEP and is being planned as a 15-year concession to operate a water treatment facility. Approvals and funding for this multi-year project are not yet in place.

### Measurement of performance:

During the planning period, FBCL aims to achieve the following in relation to its activity Manage and Operate:

Performance Measures	Performance Indicators	Timeline
1. Ensure bridge safety of full portfolio by continuing review of inspection reports and reporting on high-risk areas.	Reporting of results of inspection program	Annually
	Joint meetings and formal reports on asset risks as part of FBCL ERM	2012-13
2. Keep stakeholders and bridge users well informed on the status of works and resulting traffic disruptions using social media and other communication tools.	Statistics on number of subscribers and visitors to sites	Annually
3. Report on innovations or new technologies used in major projects.	Types of results of innovation and/or technologies used	Annually
4. Seek approval of long-term funding to address major risks for domestic bridges and associated structures in Montreal.	Allocation of long-term funding for JCCBI	2013-14
5. Ensure safety of existing NCB in Cornwall while new bridge being built.	Completion of work plan based on annual inspection and daily operational review	2012-14

### 4.2.2 Activity 2 - Construct and Rehabilitate

#### Expected Results / Objectives:

- Deliver key funded rehabilitation projects on time and on budget including:
  - Cornwall – Replacement of the NCB and associated structures
  - Sault Ste. Marie – redevelopment of Canadian Customs Plaza
  - Montreal:
    - Rehabilitation of the Honoré Mercier Bridge
    - Capital and asset preservation works outlined in 3-year funding approval
- Seek support and approval for the following projects and execute works:
  - Cornwall – Establish permanent tolling facilities and provide new CBSA facilities
  - Thousand Islands – Construction of expanded CBSA facilities
  - Montreal – Capital and asset preservation works beyond the remaining two years of funding

#### Strategies:

- Provide strategic information supported by detailed analysis to government regarding critical infrastructure and operations and maintenance needs in order to gain support and funding;
- Maintain project management at the highest levels addressing risks/issues in a timely manner, monitoring budgets and making necessary adjustments; and
- Engage and keep stakeholders and bridge users well informed of all aspects of project requirements.



## Specific Plans:

### International Bridges

#### Cornwall Crossing

This \$74.8M project encompasses the construction of a new low-level bridge in Cornwall, to replace the deteriorating North Channel Span of the Seaway International Bridge Crossing, as well as related infrastructure improvements.

FBCL has completed Contract 1 “in water works” (piers) for the new bridge and awarded Contract 2 “Construction of the bridge” that commenced in 2011-12. Construction of the new bridge is scheduled for completion in 2013-14 and demolition of the old NCB and final approach changes are to be completed by 2016. However, the present bridge must be maintained and repaired to ensure the safety of its users. FBCL has budgeted \$600K for this purpose however, it would face considerable financial challenges to manage repairs beyond this scope should there be a delay in the construction of the new bridge or a major repair required on the present NCB.

FBCL is currently developing temporary options to accommodate the transition of both tolling and CBSA facilities to the new NCB. Options for new facilities become harder to accommodate within the physical construction site with the passage of time before a decision is reached. Should the option of locating on the U.S. side of the crossing be retained and FBCL be granted a specific role in providing CBSA facilities, this would extend beyond the Canadian mandate of FBCL and specific authorities would be required.

Extended works to associated NCB bridge structures, planned as part of the original NCB project continue to be required. These include toll plaza and road and infrastructure improvements. In Cornwall, SIBC has identified the canal lands at the north end of the NCB as a suitable location for future tolling.

#### Sault Ste. Marie Crossing

FBCL's subsidiary SMRBC has entered into a \$44.1M contribution agreement with TC for the complete rehabilitation of the Canadian Customs Plaza. Additional costs for land acquisition were not included in the contribution agreement and were financed through a \$5M loan. Pursuant to subsection 127 (3) of the FAA, FBCL received approval by the Minister of Finance to enter into this borrowing transaction.

Per CBSA requirements, the current Canadian Plaza must remain functional at all times during the construction, including all operational components such as traffic and commercial buildings, inbound and outbound lanes, primary and secondary inspections. Therefore, the construction will be phased over a three year period in four stages. These stages include a new traffic building, a new commercial building, primary inspection lanes and, subject to available funding, a new duty free and garage.

SMRBC has been working to acquire the remaining properties required for the realization of this project. A consistent and equitable negotiation process was pursued to ensure all land owners and their tenants are treated fairly. This project has been initiated and will take three years to complete once all the properties required have been acquired.

#### Thousand Islands Crossing

In 2011, under the obligations of the *Customs Act (Section 6)*, FBCL received a request from CBSA for upgrading its facilities in Thousand Islands. The proposed CBSA footprint for this facility has greatly increased from the present site. FBCL has developed initial options for this expansion project. The options developed to date have been reviewed and accepted by CBSA. The next steps are to enter into discussions federally regarding direction in the context of the recent Beyond the Borders agreement with the U.S. and to determine a source of funding for upgrading the facility.

### Domestic Bridges

Domestic bridges in Montreal although safe continue to require extensive works due to their age, overall condition and the communication of specific reports. The region's transportation network is connected with various jurisdictions.

#### Honoré Mercier Bridge

The Honoré Mercier Bridge is situated through the Mohawk territory of Kahnawake and is owned in part by the federal (JCCBI) and provincial (MTQ) governments. The subsidiary JCCBI is leading the rehabilitation of both the provincial and federal portions of the bridge, a project with a federal share totalling \$135M.

This project has been ongoing since 2009 and continues to advance although the project has been delayed due the cancellation of the provincial contract in March 2012. The deck replacement work will be delayed as impacts on the overall project and existing contracts are being assessed.

## Contract A

JCCBI has completed the federal portion of contract A (bridge approaches). In order to resolve labour issues on the Mohawk territory, a portion of the work of Contract B is to be allocated to Contract A. The challenge is to oversee this unique contract, ensuring that its impact on the travelling public is mitigated.

## Contract B

Contract B is currently underway using labour from Kahnawake. Contract B is a design build contract that was awarded in August 2010. The contractor has completed engineering work on the federal portion of the contract and fabrication of deck panels started in October 2011 so that work may commence on the federal portion of the bridge in the Spring of 2012.

**Other Works** – Separate from the extensive rehabilitation works, additional repairs will be required on this bridge. Works will also include repairs to the piers and renewal of the paint system that protects the structural steel.

## Special Projects under Development – Existing and New Bridge Corridor

In October 2011, the Minister of Transport, Infrastructure and Communities announced the construction of the new bridge over the St. Lawrence to replace the aging Champlain Bridge. FBCL and its subsidiary JCCBI had been engaged for a number of years in providing information and studies to the federal government to inform the decision-making in this matter. The project will be managed directly by TC and has an estimated timeline of up to 10 years. Discussions continue in regards to the full requirements of the corridor including île des Sœurs Bridge, Highway 15 and the overall bridge approaches to ensure that risks are carefully managed until the realization of the new corridor project.

### Île des Sœurs Bridge Replacement

The île des Sœurs Bridge that links to the Island of Montreal and is one of the main approaches to Champlain Bridge is quickly approaching the end of its useful service life. The structure will require replacement within the next few years due to its deteriorated condition. It will also be widened in order to meet current needs. In 2010 JCCBI had a feasibility study carried out to look at replacement options. This project is part of the overall Champlain Bridge corridor improvement strategy. The replacement project design and studies were funded as part of the 3-year \$227.6M funding announced in Budget 2011.

In spring 2012, JCCBI was mandated to begin the planning of the temporary causeway. This would provide an interim solution while the replacement of the overall Champlain Bridge corridor is planned and constructed.

### Highway 15

For safety reasons the lane configuration for Highway 15 was changed permanently to a four (4) lane divided highway. This section of highway needs to undergo a major rehabilitation; the concrete foundation needs to be reconstructed, the pavement dates back to 1994 and the overpasses along the highway are in need of reconstruction. The highway needs to be widened given the decision regarding the new bridge.

However, before works of this important nature can be implemented and funding is secured, temporary/interim pavement works will be needed to address safety issues in connection with important rutting. Such rutting led to partial paving works in 2003 and similar works will be needed for the remaining sections before the year 2016.

Several structures and overpasses located along this stretch of highway also need repairs. Although short term mitigation measures have been completed on the East Viaduct, the Principal Viaduct and thick slab viaducts N and V, they will need to be demolished and reconstructed.

**Measurement of performance:**

During the planning period, FBCL aims to achieve the following in relation to its activity Construct and Rehabilitate:

Performance Measures	Performance Indicators	Timeline
1. Deliver funded projects on time and on budget (new NCB, Honoré Mercier Bridge Rehabilitation, and Sault Ste. Marie CBSA Rehabilitation).	NCB (\$74.8M)	2011-16
	Honoré Mercier Bridge (\$135M)	2012-13
	Sault Ste. Marie - Customs Plaza Rehabilitation (\$44.1M)	2012-15
2. Obtain project approval and required funding for construction and ongoing costs of CBSA facilities in Cornwall.	CBSA decision on location	2011-12
	Authorities granted and funding allocated	2012-13
3. Review revenue generation opportunities to assist in funding long-term capital requirements.	International Crossings – review with U.S. partners	Annually
	Provision of financial analysis and supporting documents for government consideration of funding for Montreal	2012-13
4. Develop business case for consideration by government for the funding of the rehabilitation of the Thousand Islands CBSA facility.	Development of business case for government consideration	2012-13

**4.2.3 Activity 3 – Internal services**

**Expected Results/Objectives:**

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

**Strategies:**

- Review and update FBCL policies and procedures in corporate reporting to ensure optimal effectiveness, efficiency, due diligence and compliance and complete the investigation of developing consolidated financial management and control systems;
- Deliver professional services that provide strategic advantage to FBCL and facilitates effective and efficient management in the delivery of its projects and operations; and
- Complete the conversion to Public Sector Accounting Standards to meet regulatory obligations.

**Specific Plans:**

FBCL will continue to conduct its operations in accordance with applicable government policies and regulations. It will collaborate with TC through which it reports while remaining responsive to central agencies requirements in order to achieve its strategic outcome. FBCL will endeavour to set direction with subsidiaries by exchanging on best practices, providing guidance on government policy trends and establishing corporate-wide planning and reporting processes and procedures. FBCL and its subsidiaries continue to support expenditure restraint initiatives to support efficient and effective use of taxpayer dollars.

FBCL is also developing its Enterprise Risk Management process in order to manage risks more systematically and ensure accountability at all levels of the corporation. FBCL has completed its second corporate-wide internal audit from its risk-based audit plan and will develop a new plan for 2012-13. FBCL will deliver on these activities while respecting applicable legislations and will continue to monitor changes to these Treasury Board policies and government regulations.

From a financial perspective, FBCL is completing its transition to Public Sector Accounting Standards in this current fiscal year and has amended its consolidated financial statements and budgets according to these standards.

### Measurement of performance:

During the planning period, FBCL aims to achieve the following in relation to its activity of Internal Services:

Performance Measures	Performance Indicators	Timeline
1. Meet all legislative and regulatory reporting requirements.	Complete conversion to public sector accounting standards	2012- 13
	No. of reports meeting requirement that are delivered in a timely manner	Annually
	Report progress of Internal Audit Plan	2012-13
2. Complete the development of the Enterprise Risk Management Framework.	ERM approved by FBCL Board	2012-13
3. Continue to provide information including business case as to the optimal corporate structure for FBCL.	Report on progress of corporate structure challenges	Under government consideration

## 5.0 FBCL PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

### Basis of Presentation of Financial Statements

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

Effective April 1, 2011, FBCL adopted the Canadian generally accepted accounting principles for the public sector (PSAS) and as such the financial statements contained herein have been presented in accordance with these standards. A reconciliation of the opening balances and prior year results are included in Section 8.5.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31

(in thousands of dollars)

	Actual 2010-11	Current forecast 2011-12	Main Budget 2011-12	Budget				
				2012-13	2013-14	2014-15	2015-16	2016-17
<b>FINANCIAL ASSETS</b>								
Cash	28,475	32,271	15,000	26,709	24,126	24,113	23,326	24,398
Investments	13,206	11,729	11,071	7,959	7,037	7,239	7,486	6,735
Accounts receivable	1,394	3,878	1,472	3,805	3,809	3,808	3,809	3,808
Accrued interest receivable	137	63	65	63	63	64	64	65
Due from Canada	5,042	4,124	13,739	3,328	3,303	3,303	3,303	2,803
<b>TOTAL FINANCIAL ASSETS</b>	<b>48,254</b>	<b>52,064</b>	<b>41,347</b>	<b>41,863</b>	<b>38,338</b>	<b>38,526</b>	<b>37,988</b>	<b>37,808</b>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	21,402	19,860	17,986	19,937	19,937	19,940	19,941	19,939
Due to joint venturer	1,843	2,361	1,812	2,530	2,739	3,032	3,280	3,139
Client deposits and holdbacks	100	140	140	143	143	143	143	143
Holdback	2,266	4,536	2,571	3,154	3,154	3,154	3,154	3,154
Employee future benefits	959	1,425	1,224	1,516	1,647	1,741	1,789	1,811
Environmental obligation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Asset retirement obligation	15,433	15,433	-	15,433	7,351	-	-	-
Long term debt	-	5,000	4,852	4,847	4,684	4,514	4,335	4,145
Deferred revenue	496	628	604	626	626	626	626	626
Deferred capital funding	213,843	261,080	323,092	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>257,342</b>	<b>311,463</b>	<b>353,281</b>	<b>49,184</b>	<b>41,280</b>	<b>34,148</b>	<b>34,267</b>	<b>33,956</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(209,088)</b>	<b>(259,399)</b>	<b>(311,934)</b>	<b>(7,321)</b>	<b>(2,942)</b>	<b>4,378</b>	<b>3,721</b>	<b>3,853</b>
<b>NON-FINANCIAL ASSETS</b>								
Tangible Capital assets	266,209	311,305	368,952	424,233	509,883	536,382	562,421	575,557
Prepaid expenses	745	734	309	734	734	734	734	734
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>266,954</b>	<b>312,039</b>	<b>369,261</b>	<b>424,967</b>	<b>510,617</b>	<b>537,116</b>	<b>563,155</b>	<b>576,291</b>
<b>ACCUMULATED SURPLUS</b>	<b>57,866</b>	<b>52,640</b>	<b>57,327</b>	<b>417,646</b>	<b>507,676</b>	<b>541,494</b>	<b>566,876</b>	<b>580,144</b>



## CONSOLIDATED STATEMENT OF OPERATIONS

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

	Actual 2010-11	Current forecast 2011-12	Main Budget 2011-12	Budget				
				2012-13	2013-14	2014-15	2015-16	2016-17
<b>REVENUES</b>								
Tolls	5,278	5,379	5,372	5,246	5,328	5,432	5,538	6,131
Leases and permits	4,535	4,716	5,089	4,820	4,923	5,028	5,131	5,238
International Thousand Islands Bridge operating revenues	3,590	3,785	3,938	3,938	4,200	4,200	4,463	4,463
Interest	320	333	250	315	316	317	319	322
Other	279	35	76	35	36	37	38	66
<b>TOTAL REVENUES</b>	<b>14,002</b>	<b>14,248</b>	<b>14,725</b>	<b>14,353</b>	<b>14,802</b>	<b>15,014</b>	<b>15,489</b>	<b>16,220</b>
<b>EXPENSES</b>								
Maintenance	52,290	61,879	57,570	80,988	92,274	120,532	102,159	97,524
Operation	5,457	5,559	5,672	5,679	5,853	6,010	6,159	6,303
Administration	10,117	10,045	10,748	10,095	9,884	10,027	10,204	10,443
Thousand Islands Bridge operating expenses	2,707	2,744	2,744	2,798	2,853	2,910	2,967	3,027
Amortization of tangible capital assets	9,336	10,505	7,286	13,242	16,117	17,572	18,504	18,416
<b>TOTAL EXPENSES</b>	<b>79,907</b>	<b>90,731</b>	<b>84,020</b>	<b>112,801</b>	<b>126,980</b>	<b>157,050</b>	<b>139,993</b>	<b>135,713</b>
<b>(DEFICIT) BEFORE GOVERNMENT FUNDING</b>	<b>(65,905)</b>	<b>(76,484)</b>	<b>(69,295)</b>	<b>(98,448)</b>	<b>(112,178)</b>	<b>(142,036)</b>	<b>(124,504)</b>	<b>(119,493)</b>
Parliamentary appropriations	57,901	66,795	61,548	194,810	187,441	59,923	34,959	26,473
Government contribution	-	-	-	7,564	14,767	15,200	3,724	-
Amortization of deferred capital funding	5,573	5,342	5,342	-	-	-	-	-
Future funding proposal (JCCBI)	-	-	-	-	-	100,731	111,203	106,288
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(2,431)</b>	<b>(4,347)</b>	<b>(2,405)</b>	<b>103,926</b>	<b>90,030</b>	<b>33,818</b>	<b>25,382</b>	<b>13,268</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>60,297</b>	<b>57,866</b>	<b>59,732</b>	<b>52,640</b>	<b>417,646</b>	<b>507,676</b>	<b>541,494</b>	<b>566,876</b>
Writeoff of deferred capital funding	-	-	-	261,080	-	-	-	-
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>57,866</b>	<b>52,640</b>	<b>57,327</b>	<b>417,646</b>	<b>507,676</b>	<b>541,494</b>	<b>566,876</b>	<b>580,144</b>

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)

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

	Actual 2010-11	Current forecast 2011-12	Main Budget 2011-12	Budget				
				2012-13	2013-14	2014-15	2015-16	2016-17
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(2,431)</b>	<b>(4,347)</b>	<b>(2,405)</b>	<b>103,926</b>	<b>90,030</b>	<b>33,818</b>	<b>25,382</b>	<b>13,268</b>
Acquisition of tangible capital assets	(45,240)	(55,885)	(106,221)	(126,170)	(109,850)	(51,421)	(44,543)	(31,552)
Amortization of tangible capital assets	9,336	10,505	7,286	13,242	16,117	17,572	18,504	18,416
	<b>(38,335)</b>	<b>(49,727)</b>	<b>(101,340)</b>	<b>(9,003)</b>	<b>(3,703)</b>	<b>(32)</b>	<b>(657)</b>	<b>132</b>
Acquisition of prepaid expenses	(381)	(74)	(163)	(74)	(78)	(79)	(81)	(83)
Use of prepaid expenses	-	70	74	74	78	79	81	83
Asset retirement obligation	-	-	-	-	8,082	7,351	-	-
	<b>(381)</b>	<b>(4)</b>	<b>(89)</b>	<b>-</b>	<b>8,082</b>	<b>7,351</b>	<b>-</b>	<b>-</b>
<b>(INCREASE) / DECREASE IN NET FINANCIAL ASSETS (DEBT)</b>	<b>(38,716)</b>	<b>(49,730)</b>	<b>(101,429)</b>	<b>(9,003)</b>	<b>4,380</b>	<b>7,320</b>	<b>(657)</b>	<b>132</b>
<b>NET FINANCIAL ASSETS (DEBT) AT BEGINNING OF YEAR</b>	<b>(170,372)</b>	<b>(209,088)</b>	<b>(210,505)</b>	<b>(259,399)</b>	<b>(7,321)</b>	<b>(2,942)</b>	<b>4,378</b>	<b>3,721</b>
Writeoff of deferred capital funding	-	-	-	261,080	-	-	-	-
<b>NET FINANCIAL ASSETS (DEBT) AT END OF YEAR</b>	<b>(209,088)</b>	<b>(259,399)</b>	<b>(311,934)</b>	<b>(7,321)</b>	<b>(2,942)</b>	<b>4,378</b>	<b>3,721</b>	<b>3,853</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Actual 2010-11	Current forecast 2011-12	Main Budget 2011-12	Budget				
				2012-13	2013-14	2014-15	2015-16	2016-17
<b>OPERATING TRANSACTIONS</b>								
Annual surplus / (deficit)	(2,431)	(4,347)	(2,406)	103,926	90,030	33,818	25,382	13,268
Non-cash items								
Amortization of tangible capital assets	9,336	10,505	7,286	13,242	16,117	17,572	18,504	18,416
Amortization of deferred capital funding	(5,573)	(5,342)	(5,342)	-	-	-	-	-
(Increase) decrease of client deposit	(10)	(14)	-	3	-	-	-	-
Accretion expense	262	-	-	-	-	-	-	-
(Increase) decrease in due from Canada	8,077	182	-	(25)	25	-	-	-
Increase (decrease) of holdback	1,225	-	-	-	-	-	-	-
Increase (decrease) of employee future benefits	(31)	57	94	91	131	95	48	22
Net change in non-cash items	3,503	(1,177)	(1,177)	(425)	36	45	45	192
<b>CASH PROVIDED / (USED) BY OPERATING ACTIVITIES</b>	<b>14,358</b>	<b>(137)</b>	<b>(1,545)</b>	<b>116,811</b>	<b>106,339</b>	<b>51,529</b>	<b>43,978</b>	<b>31,897</b>
<b>CAPITAL TRANSACTIONS</b>								
Cash used to acquire tangible capital assets	(24,495)	(55,885)	(106,221)	(126,170)	(109,850)	(51,421)	(44,543)	(31,552)
<b>CASH USED BY CAPITAL ACTIVITIES</b>	<b>(24,495)</b>	<b>(55,885)</b>	<b>(106,221)</b>	<b>(126,170)</b>	<b>(109,850)</b>	<b>(51,421)</b>	<b>(44,543)</b>	<b>(31,552)</b>
<b>INVESTING TRANSACTIONS</b>								
Acquisition of investments	(12,825)	(194)	2,050	1,576	(1,502)	(2,704)	(2,951)	(2,200)
Disposal of investments	12,587	1,931	1,925	2,194	2,424	2,502	2,704	2,951
<b>CASH PROVIDED / (USED) BY INVESTING ACTIVITIES</b>	<b>(238)</b>	<b>1,737</b>	<b>3,975</b>	<b>3,770</b>	<b>922</b>	<b>(202)</b>	<b>(248)</b>	<b>752</b>
<b>FINANCING TRANSACTIONS</b>								
Increase (decrease) in amount due to joint venturer	431	241	-	180	169	251	206	166
Increase (decrease) in deferred capital funding	21,618	52,840	98,254	-	-	-	-	-
Net financing by FBCL to subsidiary (JCCBI)	-	-	(39)	-	-	-	-	-
Proceed from issuance of debt	-	5,000	5,000	-	-	-	-	-
Repayment of long term debt	-	-	-	(153)	(162)	(170)	(180)	(190)
<b>CASH PROVIDED / (USED) BY FINANCING ACTIVITIES</b>	<b>22,049</b>	<b>58,081</b>	<b>103,215</b>	<b>27</b>	<b>7</b>	<b>81</b>	<b>26</b>	<b>(25)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>11,674</b>	<b>3,796</b>	<b>(576)</b>	<b>(5,563)</b>	<b>(2,583)</b>	<b>(13)</b>	<b>(787)</b>	<b>1,072</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>16,801</b>	<b>28,475</b>	<b>15,576</b>	<b>32,271</b>	<b>26,709</b>	<b>24,126</b>	<b>24,113</b>	<b>23,326</b>
<b>CASH AT END OF YEAR</b>	<b>28,475</b>	<b>32,271</b>	<b>15,000</b>	<b>26,709</b>	<b>24,126</b>	<b>24,113</b>	<b>23,326</b>	<b>24,398</b>

## 6.0 OPERATING AND CAPITAL BUDGETS

### 6.1 Operating Budget

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

	2012-13 Budget	2011-12 Budget	2011-12 Forecast	2011-12 Variance	2010-11 Budget	2010-11 Actual	2010-11 Variance
<b>FUNDING</b>							
<b>Appropriations</b>							
JCCBI Operating expenses	67,418	40,889	39,856	(1,033)	34,986	35,136	150
JCCBI Champlain Bridge rehabilitation	19,233	20,105	26,285	6,180	20,397	22,499	2,102
JCCBI funding proposal - FSCAP	-	554	554	-	233	-	(233)
SIBC Operating expenses	-	-	-	-	-	266	266
<b>Total Appropriations</b>	<b>86,651</b>	<b>61,548</b>	<b>66,695</b>	<b>5,147</b>	<b>55,616</b>	<b>57,901</b>	<b>2,285</b>
Thousand Islands Bridge operating revenue	3,938	3,938	3,785	(153)	3,675	3,590	(85)
Leases and permits	4,820	5,089	4,716	(373)	4,893	4,535	(358)
Tolls	5,246	5,372	5,379	7	3,916	5,278	1,362
Interest	315	250	333	83	212	320	108
Other	35	76	35	(41)	70	279	209
FBCL cash reserve	-	461	-	-	-	-	-
<b>TOTAL FUNDING</b>	<b>101,004</b>	<b>76,734</b>	<b>80,943</b>	<b>4,670</b>	<b>68,382</b>	<b>71,903</b>	<b>3,521</b>
<b>EXPENDITURES</b>							
Maintenance	80,988	57,570	61,879	(4,309)	49,797	52,290	(2,493)
Operation	5,679	5,672	5,559	113	5,516	5,457	59
Administration	10,091	10,748	10,045	703	9,623	10,117	(494)
Thousand Islands Bridge operating expenses	2,798	2,744	2,744	-	2,897	2,707	190
<b>TOTAL EXPENDITURES</b>	<b>99,555</b>	<b>76,734</b>	<b>80,227</b>	<b>(3,493)</b>	<b>67,833</b>	<b>70,571</b>	<b>(2,738)</b>
<b>EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES</b>	<b>1,449</b>	<b>-</b>	<b>716</b>	<b>716</b>	<b>549</b>	<b>1,332</b>	<b>783</b>

## 6.2 Capital Budget

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

	2012-13 Budget		2011-12 Budget	2011-12 Forecast		2011-12 Variance	2010-11 Budget	2010-11 Actual	2010-11 Variance
<b>FUNDING</b>									
<b>Appropriations</b>									
FBCL North Channel Bridge replacement	24,024	*	64,699	25,236	*	39,463	1,542	427	1,115
JCCBI Honoré Mercier Bridge rehabilitation	28,328	*	44,105	61,748	*	(17,643)	57,200	16,717	40,483
JCCBI Groundwater containment	13,311		203	319		(116)	-	-	-
JCCBI Champlain Bridge rehabilitation	5,952		8,617	7,054		1,563	4,165	2,923	1,242
JCCBI Champlain Bridge corridor studies	7,905	**	9,062	9,062	**	-	-	-	-
JCCBI Nuns' Island Bridge	14,351		-	-		-	10,470	-	10,470
JCCBI Regular assets	22,193		7,771	9,009		(1,238)	677	383	294
<b>Total Appropriations</b>	<b>116,064</b>		<b>134,457</b>	<b>112,428</b>		<b>22,029</b>	<b>74,054</b>	<b>20,450</b>	<b>53,604</b>
SMRBC borrowing	-		-	5,000		(5,000)	-	-	-
SMRBC Contribution - Custom Plaza	7,564		2,500	1,443		1,057	-	1,168	(1,168)
Other revenue	5,497		2,967	3,045		(78)	3,658	2,877	781
<b>TOTAL FUNDING</b>	<b>129,125</b>		<b>139,924</b>	<b>121,916</b>		<b>18,008</b>	<b>77,712</b>	<b>24,495</b>	<b>53,217</b>
<b>EXPENDITURES</b>									
Head Office	-		-	-		-	32	38	(6)
Thousand Islands Bridge	272		37	169		(132)	182	-	182
FBCL North Channel Bridge replacement	24,024	*	12,999	16,195		(3,196)	1,915	396	1,519
SIBC South Channel Bridge	-		48	-		48	1,392	-	1,392
SIBC General	522		-	25		(25)	60	-	60
SMRBC Custom Plaza redevelopment	7,564		2,500	1,443		1,057	-	1,168	(1,168)
SMRBC General	7,066		297	266		31	-	746	(746)
JCCBI Jacques Cartier Bridge	1,244		327	2,362		(2,035)	1,165	890	275
JCCBI Champlain Bridge	8,902		8,872	7,408		1,464	15,212	2,923	12,289
JCCBI Honoré Mercier Bridge	34,693		49,362	25,184		24,178	57,200	18,135	39,065
JCCBI Melocheville Tunnel	77		524	134		390	414	44	370
JCCBI Groundwater containment	16,163		2,631	179		2,452	-	-	-
JCCBI Autoroute 15	11,037		1,381	1,836		(455)	-	22	(22)
JCCBI Nuns' Island Bridge	14,351	***	-	-		-	-	-	-
JCCBI Champlain Bridge & approaches	-		9,062	500		-	-	-	-
JCCBI General	259		300	184		116	140	133	7
<b>TOTAL EXPENDITURES</b>	<b>126,174</b>		<b>88,340</b>	<b>55,885</b>		<b>32,455</b>	<b>77,712</b>	<b>24,495</b>	<b>53,217</b>
<b>EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES*</b>	<b>2,951</b>		<b>51,584</b>	<b>66,031</b>		<b>14,447</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Includes major capital project funding reprofiling to be requested and subject to a separate Treasury Board decision.

FBCL - North Channel Bridge replacement - \$9,041 from 2011-12 to 2012-13

JCCBI - Honoré-Mercier Bridge - \$28,328 from 2011-12 to 2012-13 and \$14,517 from 2011-12 to 2013-14

\*\* Funds allocated to JCCBI as part of Budget 2011 for studies for the replacement of the Champlain Bridge now assumed by Transport Canada.

A Memorandum of Understanding between Transport Canada and JCCBI was signed in January 2012 to proceed to the transfer of project funds of \$1,973 in 2011-12; \$7,905 in 2012-13; \$8,997 in 2013-14 as part of authorizations sought in the upcoming Supplementary Estimates and the Annual Reference Level Update exercises.

\*\*\* Nun's Island Bridge for temporary structure (Causeway) project design and studies as part of the replacement project

## APPENDICES

**Appendix A – Performance Review of the 2011-12 to 2015-16 Corporate Plan**

**Appendix B – PAA and FBCL Logic Model Description**

**Appendix C – List of Abbreviations**



## APPENDIX A - PERFORMANCE REVIEW OF THE 2011-12 TO 2015-16 CORPORATE PLAN

The strategic objectives and performance targets from the 2011-12 to 2015-16 Corporate Plan are based on findings and recommendations of the OAG's 2008 Special Examination of FBCL and its subsidiaries. The strategic objectives represent the key risk areas identified in the special examination and the performance targets and the year to date assessment identify the management actions taken by FBCL to mitigate these risks to achieving its strategic outcome.

1. Strategic Objective: Bridge Safety		
Continue to ensure the safety of bridge structures in order to avoid harm to end users, employees and contractors.		
2011-12 Performance Measures	Performance Indicators	Status
1. Enhance the role of the corporate engineering task force to share intelligence and best practices for undertaking critical maintenance and further develop risk management reporting.	Identification of key risks	Partially Met - Risk assessments completed by FBCL and its subsidiaries. Formal risk reporting on bridge safety now completed as part of the Quarterly Report.
2. Ensure safety of existing NCB in Cornwall while new bridge being built.	Completion of work plan based on annual inspection and daily operational review	Met
3. Ensure bridge safety of full portfolio by continuing review of inspection reports and reporting on high-risk areas.	Results of inspection program	Met - Reported annually.
	Safety incidences on structures	Met - Reported annually.
4. Deliver funded projects on time and on budget (NCB), Honoré Mercier Bridge, Sault Ste. Marie Rehabilitation of CBSA facility).	NCB - \$74.8M	Met – On budget, Contract 1 – Piers completed, Contract 2 – Construction awarded and work started.
	Honoré Mercier Bridge - \$135M	Partially Met – Contract A completed, Contract B has a one year delay due to labour issues related to the application of Quebec law and Mohawk workers. MTQ has cancelled its participation in the existing contract for the replacement of the deck. The deck-replacement work will be delayed as impacts on the overall project and existing contracts are being assessed.
	Sault Ste. Marie Customs Plaza Rehabilitation - \$44.1 M	Partially Met – Some land acquisitions completed and preparatory work as well as designs completed. Timelines are being adjusted to allow for the continued negotiations for the property acquisitions. Currently the project is approximately one year behind the original completion date of 2014.

**2. Strategic Objective: Financial Sustainability**

Achieve financial sustainability by obtaining adequate funding and exploring revenue generation opportunities to maintain safe, efficient and effective infrastructure over the long term, including capital requirements to replace structures at the end of their life cycle.

2011-12 Performance Measures	Performance Indicators	Status
1. Seek approval of new funding for the Champlain Bridge corridor.	Completion of Champlain Bridge condition study and pre-feasibility study on replacement delivered.	Met – Reports delivered and used for government decisions.
	Approval of Champlain Bridge replacement project	Met – October 5th, 2011 Minister announced the construction of the new bridge over the St. Lawrence to replace the Champlain Bridge. Project to be led by TC.
2. Review revenue generation opportunities in Montreal and at international crossings, to assist in funding long-term capital requirements.	International Crossings – review with U.S. partners	Met – Tolls reviewed regularly by responsible authorities at each international crossing.
	Provision of financial analysis and supporting documents for government consideration.	Met
3. Obtain project approval for construction of CBSA facilities in Cornwall and secure funding for remainder of project.	CBSA decision on location pending.	Partially Met – Options for locations completed by FBCL and presented to CBSA.
	Allocation of funding	Partially Met – Allocation will be dependent on CBSA decision on permanent location. Temporary options being developed to align to new bridge.
4. Develop business case for consideration by government for the rehabilitation of the Thousand Islands CBSA facility.	Agreement with CBSA on requirements and costs	Partially Met – The initial options have been prepared and accepted by CBSA.
	Present business case to government	Partially Met – Discussions on border agreement and source of funding continue.

<b>3. Strategic Objective : Corporate Structure</b>		
Ensure FBCL Board functions according to best governance practices.		
<b>2011-12 Performance Measures</b>	<b>Performance Indicators</b>	<b>Status</b>
1. Continue to clarify with subsidiaries roles, responsibilities, accountabilities including reporting requirements to achieve appropriate level of corporate oversight.	Letters of expectations were issued by the Chair of FBCL Board to subsidiary Boards and initial subsidiary reporting in place.	Met
	Project clarifying roles and responsibilities nearing completion.	Partially Met – Results of Special Board meeting being implemented to clarify some roles however, delays due to the FBCL Board still having only three members.
2. Continue to provide information including business case as to the optimal corporate structure for FBCL.	Report on progress of corporate structure challenges	Partially Met – Business case is under government consideration. FBCL has appointed executive members to SMRBC and SIBC Boards and executive members have been appointed to TIBA Board.
3. Manage corporate risk systematically and consistently and ensure all relevant information is made available and mitigation plans are in place.	Enterprise Risk Management (ERM) approved by FBCL Board	Partially Met –ERM under review by FBCL Board. A joint risk assessment with subsidiaries completed. Risk reporting completed quarterly.
4. Ensure consistent and coordinated framework for corporate communication activities by reporting on new projects.	Blog and Twitter accounts for NCB replacement	Met – All social media is active since start of project and is being well received by users.
	Blog and Twitter accounts for Sault Ste. Marie	Partially Met – Site is developed but on hold pending acquisition of necessary lands.

**3. Strategic Objective : Corporate Structure**

Ensure FBCL Board functions according to best governance practices.

2011-12 Performance Measures	Performance Indicators	
5. Comply with legislative and regulatory requirements.	Complete conversion to public sector accounting standards in order to meet regulatory obligations.	Met
	Publish consolidated quarterly financial reports per FAA requirements.	Met
	Deliver corporate planning and reporting (Corporate Plan and Summary, Annual Report, etc.)	Met – All documents submitted on time.
	Report progress of Internal Audit Plan	Met - Two of the internal audits have been completed: Audit of International Agreements and Audit of Budget Process at the FBCL and subsidiaries.

## APPENDIX B – PAA AND FBCL LOGIC MODEL DESCRIPTION

This model depicts how FBCL and its subsidiaries deliver all of its activities and sub-activities whether appropriated or non-appropriated. FBCL's strategic outcome is related to its mandate and aligns with the strategic outcomes and priorities of the Government of Canada. FBCL, as the parent Crown corporation reports through the Minister of Transport, Infrastructure and Communities.

The FBCL PAA "Construction of a low-level bridge in Cornwall, Ontario as well as related infrastructure improvements" is approved by Treasury Board and has been integrated within the FBCL logic model.

The logic model enables FBCL to clearly focus on its three key priorities over the next five years, namely bridge safety, sustainable funding and corporate structure. All FBCL activities and the achievement of the strategic outcomes are delivered with its three wholly owned subsidiaries JCCBI, SIBC and SMRBC.

This logic model is intended to assist in improving the effectiveness and efficiency of operations through comprehensive risk management, optimization of performance in planning and delivery of works as well as ensuring stronger corporate reporting and performance measurement. Achieving these goals will enable FBCL to attain its mandate of providing the highest level of stewardship so that its bridges and associated structures are safe and efficient for users.

### Strategic Outcome

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

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

### Activity 1 - Manage and Operate

This activity consists of the daily direction and control of operations at all FBCL bridges and associated structures including cyclical maintenance and repairs which ensure the ongoing safety and security of these assets, revenue generation activities and continuous communication with stakeholders. This activity is similar across all locations however funding models differ significantly and add complexity.

- **Sub-Activity 1.1 – International Bridges**

This sub-activity includes the exercise of tolling operations, inspections, cyclical maintenance and repairs, security, coordination with international stakeholders and communities and promotion of the crossing as well as the provision and management of CBSA customs facilities. The operations are managed through international agreement with the U.S. with joint representation on the respective Board of Directors. The funding model is that of self-sufficiency of operations and the net earnings of the operations are shared in accordance with the international agreements. The aim is that net earnings be sufficient to fund at least partly over the long-term the construction and rehabilitation activities outlined in activity 2.

- **Sub-Activity 1.2 – Domestic Bridges**

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

### Activity 2 - Construct and Rehabilitate

This activity consists of all major rehabilitation and new construction projects as well as other major capital expenditures associated with ensuring the safety and security of FBCL bridges and associated structures. Another important function of this activity is communication with stakeholders. FBCL is using social media including Internet blog sites and Twitter accounts to inform stakeholders, media and bridge users of major announcements on new projects, scope and timing planned works as well as traffic advisories.

- **Sub-Activity 2.1- International Bridges**

This sub-activity includes specific major capital projects on international bridges and associated structures including CBSA facilities as per the requirements.

- **Sub-Activity 2.2 - Domestic Bridges**

This sub-activity includes specific major capital projects for federal domestic bridges and associated structures in Montreal.

### **Activity 3 – Internal Services**

Internal services at FBCL are groups of related activities and resources that support the needs of programs and other corporate obligations. These services include governance, management support, and resource management services including finance, strategic planning and reporting, communications and human relations. This professional expertise is integrated in all program activities to appropriately manage risks, deliver projects as planned and complete liaison with external federal agencies.

---

**APPENDIX C – LIST OF ABBREVIATIONS**

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

---