



FEDERAL BRIDGE CORPORATION  
SOCIÉTÉ DES PONTS FÉDÉRAUX

# CORPORATE PLAN SUMMARY 2022 | 2027

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Ottawa, Ontario K1P6L5

## REBUILD & PROGRESS

Canada 



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# Executive Summary

The Federal Bridge Corporation Limited (FBCL) is a federal Crown corporation entrusted with the administration of Canada's interests in four international crossings between Ontario and the United States. Each bridge has unique environments that facilitate international trade and tourism interests and deliver crucial benefits to their local communities.

FBCL is an immensely capable organization. It has a proven and long-standing record of organizational efficiency and excellence. It focuses first on the management of its indispensable international bridge assets and critical bi-national operational relationships. It also continuously supports initiatives to improve its customer service, manage traffic flow and to position itself for the future. Similar to all entities, FBCL has been grappling with the challenge of the

COVID-19 pandemic and has had to adapt all aspects of its business to maintain operational capacity. The team proved adeptly resilient through multiple changes. The objectives and strategies of this planning period aim

to financially survive the pandemic impacts while sustaining asset management. From an external view,

Standard & Poor's have rated the corporation as an A+, outlook negative and have consistently noted

the strength of its governance practices and high capabilities of its management team. FBCL has

also recently completed a positive Special Examination by the Office of the Auditor General

(OAG).

**Stewardship** — Bridge building standards are based on 75-years of serviceability.

FBCL has 10 major bridge structures in its portfolio across four crossings. Of these,

half are either older than this critical baseline measure or are soon approaching

this age, without the benefit of any major recent rehabilitation or section

replacements. Exceptional long-term stewardship empowers the stable

condition of these bridges. Careful governance, financial and asset

management enable the outperformance in level of service of these

bridges. Reinvestment of revenues in excess to the daily operational

requirements directly into the structures ensure their preservation and

longevity. The revenue to maintenance and rehabilitation cycle is critical in

value for Canadians in international bridge assets. As we plan ahead to 2022-

23 and beyond, the interruption in revenue due to a momentous halt of passenger

traffic due to the pandemic persists. With border limitations persisting and societal

health concerns remaining, traffic forecasts are unfavourable and uncertain, the capital

plan is largely unfunded and the financial flexibility of the corporation has been exhausted.

**Revenue** — The pandemic land border limitations have curtailed, since March 2020, much of

the passenger traffic across international bridges. After the initial market shock, commercial traffic

gradually rebounded. This provided a basic level of revenue for two of FBCL's crossings on major trade

routes, the Blue Water Bridge and the Thousand Islands International Bridge. Its other two international

bridges, Sault Ste. Marie International Bridge and Seaway International Bridge mostly rely on passenger traffic

that is decimated. Throughout this difficult period, international bridge operations need to be fully maintained and

mandated CBSA and CFIA facilities supported. Toll revenue, by bridge location, dropped by as much as 97% early in the

pandemic and remains insufficient to cover all required expenditures and the broader financial debt and loan obligations.

FBCL's prudent toll and cost management strategies have helped to delay the disastrous impact, however this had led to

the deferral of many capital works. To sustain operations, the hard-earned capital fund reserve in excess of \$25M needed

to be depleted, an additional \$10M in debt was assumed and, emergency funding support was provided by the Government

of Canada.

A  
federal  
Canadian  
Crown  
corporation  
entrusted with the  
oversight of selected  
international bridges:

- Sault Ste. Marie International Bridge, Sault Ste. Marie, Ontario
- Blue Water Bridge, Point Edward, Ontario
- Thousand Islands International Bridge, Lansdowne, Ontario
- Seaway International Bridge, Cornwall, Ontario



**Priorities** — At this time, the single most important strategic priority facing FBCL is its financial continuity, and particularly that of its subsidiary, The Seaway International Bridge Corporation Limited (SIBC). The ability for FBCL to execute on this Corporate Plan is heavily dependent on the lifting of restrictions across the Canada-US border. This, together with the societal confidence for discretionary trips at each international bridge location are the key factors for FBCL's fulsome business recovery. Once all border restrictions are lifted, FBCL anticipates some 24 months for a fulsome return to a normal range of passenger traffic. As time passes, there is an increasing risk of a permanent decrease in cross-border travel for border communities. The realization of Corporate Plan objectives is also dependent on funding and resolution of the governance structure for the SIBC, hindered financially and operationally by its long-standing corporate status as a joint venture of the Canadian and U.S. governments.

FBCL is committed to proper stewardship of its mandated assets. It has a responsibility to Canadians to excel in the lifecycle preservation and proper operation of its international bridges. It is steadfast in its resolve for adaptable scalability through the consistent exchange of best practices across its portfolio, to enable functional growth and support resiliency to changes in operational context. As core enabling factors in its success, FBCL will continue to ensure effective fiscal management through enhanced revenue, prioritized investment, toll optimization and cost containment in the public interest. It will also pursue the nurturing of excellence in people, preparing its team to best respond to the present and future labour and skills landscape.

**Subsistence** — Due to the unusual business environment context, current financial circumstances and further indebtedness in 2021-22, FBCL requires policy, and operational and capital support from the Government of Canada to achieve its goals for the planning period.

From a policy perspective, a long-term solution to the current partnership for the Seaway International Bridge is required. This solution requires governmental bi-national negotiations and careful consideration of Indigenous reconciliation with interests beyond FBCL. At the core of discussions is the necessary funding of the free-passage obligations for the Indigenous community at this location that normally represents more than 70% of the traffic, currently in the pandemic, now more than 90%. General operating appropriations of the subsidiary, SIBC, is required to enable its continued operations during the negotiation period and to fund the ultimate solution.

Major capital works and projects have received funding in the first three years of the planning period. These include critical bridge elements, identified by independent inspections, as necessary given the advanced age of the bridges. Such works include the replacement of all of the supporting rocker arms and of suspender cables at the Seaway international Bridge as well as the replacement of the suspender cable and maintenance reconstruction at the Thousand Islands International Bridge. At the Sault Ste. Marie International Bridge, judicious bridge coating is required while climate protection and fulsome span rehabilitation is





necessary at the Blue Water Bridge. Should the Settlement Agreement between the Mohawk Council of Akwesasne, the Crown, FBCL and its subsidiary, SIBC, achieve completion, FBCL will also be required to relocate administrative and maintenance buildings off Cornwall Island.

**Opportunity** — The Blue Water Bridge is Canada’s second busiest land border commercial crossing. Its outbound plaza to the United States and inbound CBSA traffic processing is beyond its useful life and has infrastructure and system inefficiencies for traffic flow through. These inefficiencies are expected to be compounded by the improvements in traffic flow anticipated through the US plaza replacement being planned for implementation by the Michigan Department of Transportation (MDOT). Additionally, 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 uninterrupted and comprehensive service. By 2024, the new Gordie Howe Bridge will open downstream resulting in a significant competitive advantage loss with fully new and fluid plazas. The Blue Water Bridge Master Plan has been implemented in phases for more than two decades. FBCL plans to submit plans for funding to the Government of Canada for the remaining rebuild that would span four years.





# Corporate Overview

## Mandate

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:

- 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 structure, facility, 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;
- 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
- Any business, undertaking or other activities incidental to any bridge, or other related structure, facility, work or property contemplated in paragraph (a) or (b).

For the foregoing purposes, the Corporation has, subject to the *Financial Administration Act*, 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 traveling public with efficiency and respect.

## Mission

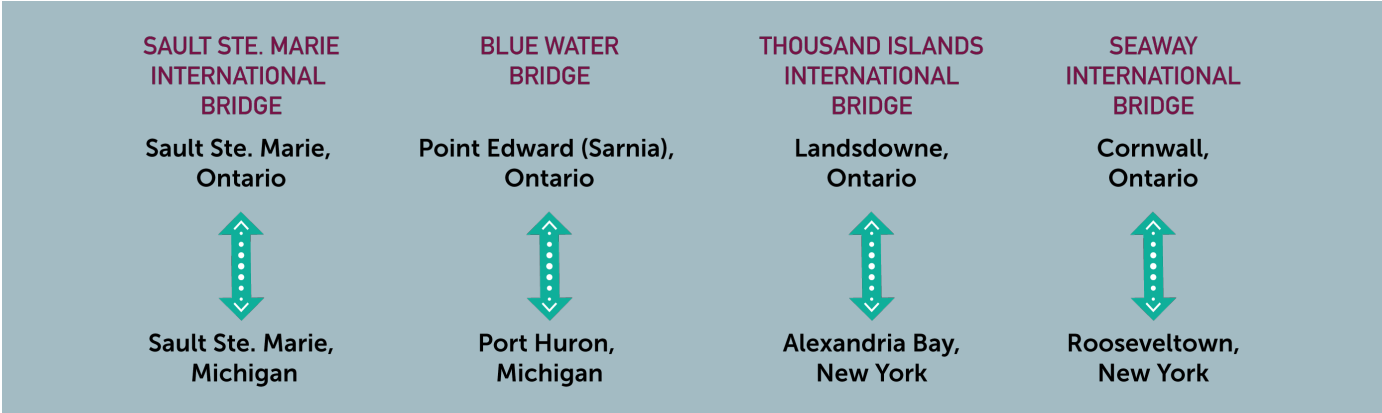
FBCL is a Crown corporation responsible for the oversight of Canadian federal interests in selected international bridge crossings between Canada and the United States.



Main activities

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

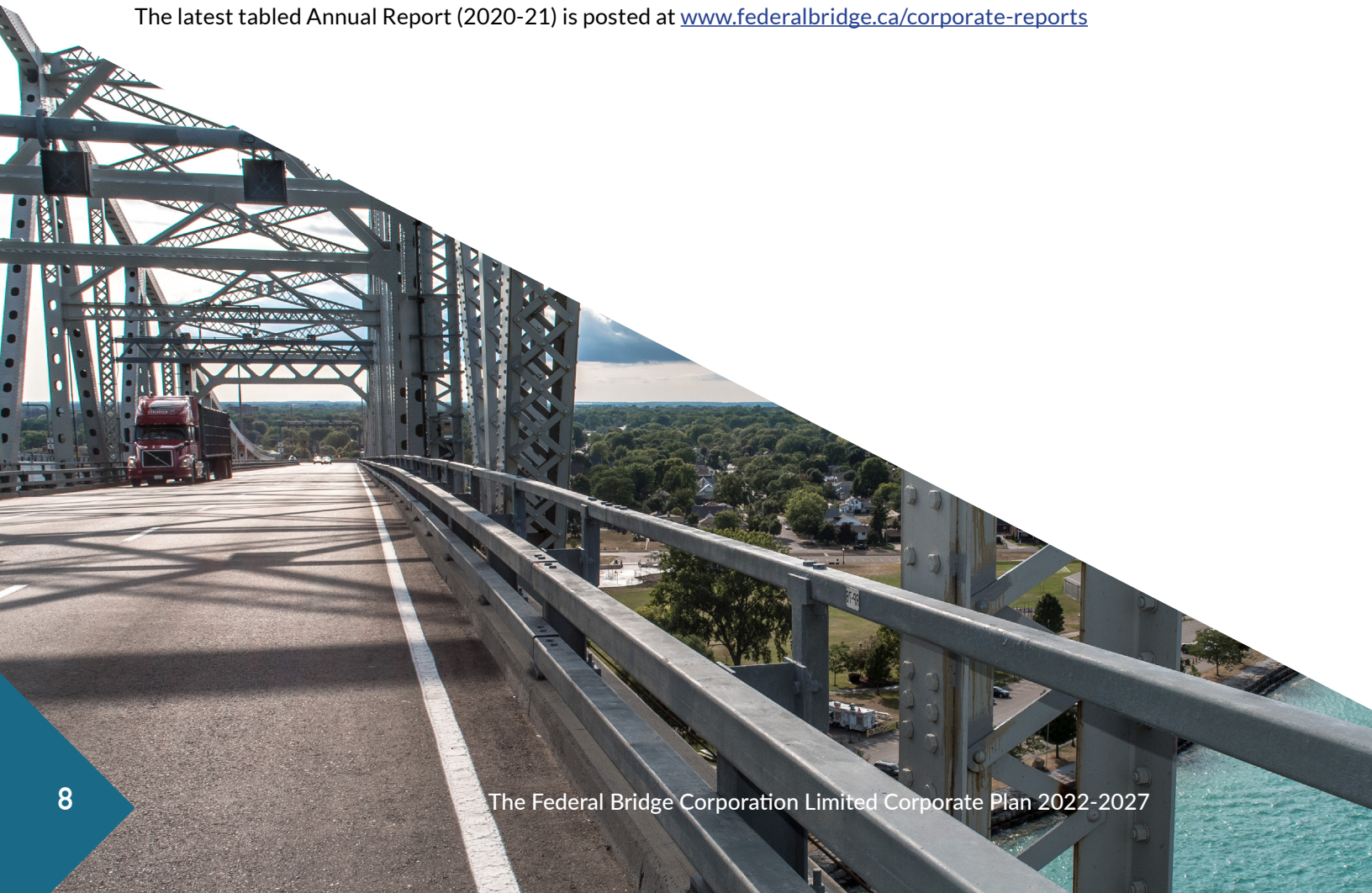
It reports to the Parliament of Canada through the Minister of Transport. The Corporation is responsible for Canadian federal interests at four of the eleven international bridges in Ontario and is headquartered in Ottawa, Ontario.



FBCL’s responsibilities and relationships are varied and reflect the unique origin of each bridge. FBCL owns crossing assets and provides oversight to bridge operations, administering international agreements associated with the bridges, leading bridge engineering and inspection duties and management of bridge capital investment projects.

Most recent annual report

The latest tabled Annual Report (2020-21) is posted at [www.federalbridge.ca/corporate-reports](http://www.federalbridge.ca/corporate-reports)





# Operating Environment

FBCL aims to maintain safe and secure international trade routes and enable the efficient transit of people and goods.

## Internal environment

Human Resources	How we operate
<p><b>116 Employees</b></p> <p>Employees directly employed by FBCL and its subsidiary, SIBC.</p> <p>Staff at the Thousand Islands International Bridge and Sault Ste. Marie International Bridge are employed by FBCL's American partners.</p> <p>With impacted revenues due to COVID-19 restrictions, the current strategy over the previous two fiscal years was to temporarily suspend new position hiring. Over the course of the pandemic, staff have been dynamically reassigned internally to accommodate short term functional requirements.</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.</p> <p><b>November 2023</b></p> <p>Public Service Alliance of Canada (PSAC) Local 501 collective agreement renewal date</p> <p><b>Pension plans</b></p> <p>Employees of FBCL participate in a defined contribution private pension plan. SIBC employees are covered by the Public Service Pension Plan (PSPP).</p>	<p>FBCL's business processes and systems are based on five strategic pillars:</p> <p><b>Mandate</b> of unified bridge portfolio delivered proficiently by agile, innovative and skilled teams;</p> <p><b>Stewardship</b> of assets and infrastructure emphasizing safety, security and asset lifecycle management;</p> <p><b>Technology</b> adoption aligned with solid data-driven operational efficiency, limiting risk and resource expenditure;</p> <p><b>Sustainability</b> based on enhanced revenue, prioritized investment, toll optimization and cost containment; and</p> <p><b>Governance</b> through strong corporate oversight, profound employee engagement and positive stakeholder relations.</p>

## External environment

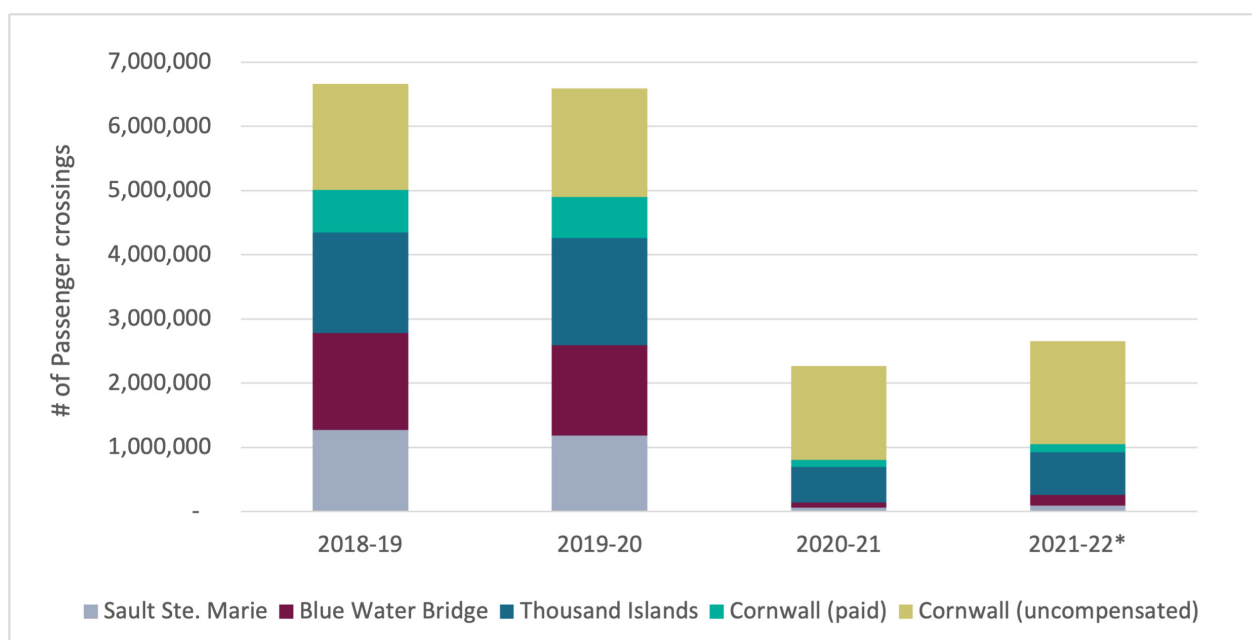
### INTERNATIONAL TRAFFIC MIX AT FBCL'S CROSSINGS

The mix of types of traffic at FBCL's international crossings are as varied as the types of bridges at FBCL. 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. These local characteristics have been highlighted and exacerbated by the COVID-19 induced border restrictions for the past two years.

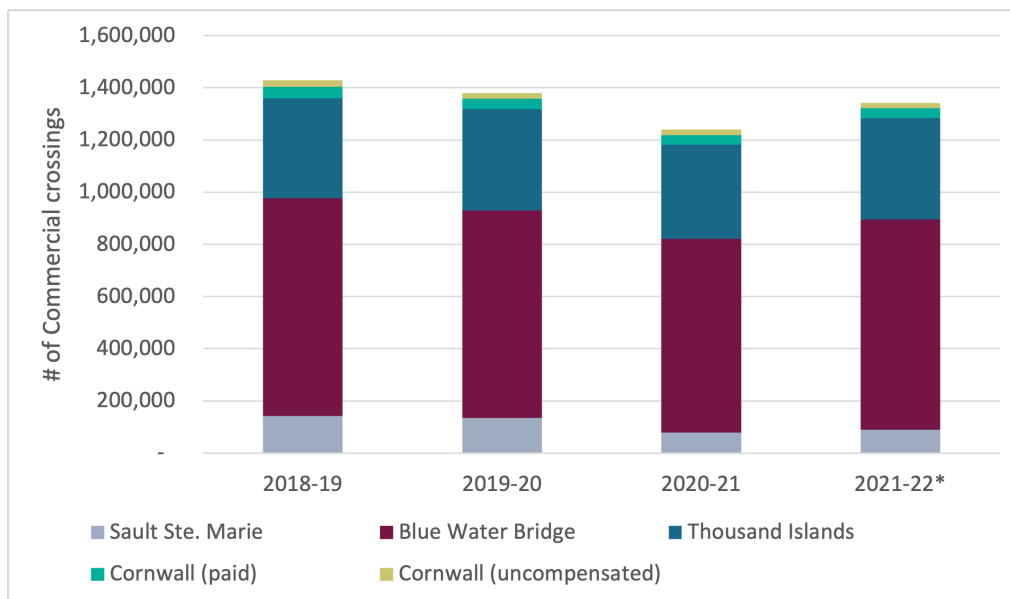
As the second busiest commercial crossing in the province, the Blue Water Bridge relies heavily on commercial traffic every year. This crossing provides Canada with a strong alternative for commercial border crossings across the Great Lakes in the western part of the province, and a required alternative due to its geographic separation from the Windsor area. The connectivity on both sides of the international border to major highways at this location helps to not only move goods and freight between the two countries, but also provides a popular crossing for passenger traffic made up primarily of cross-border tourists.

In the eastern part of the province, the Thousand Islands International Bridge also benefits from the strongest commercial traffic among bridges in the area. This is not only due to the major highway connectivity on both sides of the border, but also from 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, but is also supported by strong seasonal tourist volumes who generally frequent the area and use the crossing as a gateway either into New York state, or Eastern Ontario.

Both crossings in Sault Ste. Marie and Cornwall (the Seaway International Bridge) operate in much different environments than the other two crossings. While there is a small base of local commercial traffic (less than 10% of usual total traffic) that use these border crossings, they are both highly dependent upon the local passenger traffic of the cross-border communities. A further nuance of the Seaway International Bridge crossing is the Crown-mandated free passage obligation afforded to the Indigenous community here. This normally accounts for up to 70% of traffic not paying any toll for this crossing. This has risen to 90% during the pandemic.







\* denotes forecasted volumes as at 12.31.21

## PANDEMIC EFFECTS

In the final weeks of March 2020, the Canadian and US federal governments imposed border restrictions eliminating almost all non-essential traffic across the border. In the weeks and months after these restrictions came into effect, FBCL's primary revenue source, tolling, was decimated. The corporation was able to draw upon reserves in order to see itself through the immediate devastating impacts and ensure continuity of bridge operations at all four locations. These impacts were as drastic as up to 97% loss of passenger traffic at some bridge locations, and up to 60% loss of commercial traffic.

By late Fall of 2020, FBCL's two largest commercial crossings (Blue Water Bridge and Thousand Islands International Bridge) had largely recovered their commercial traffic to pre-pandemic times, however great variability continues week after week. In aggregate, however, commercial traffic volumes across the whole of FBCL's portfolio of bridge locations is still not forecasted to match either of the two fiscal years before COVID restrictions came into effect (see graph).

Over the course of the latter half of 2021, the Canadian and US federal governments have slowly repealed border restrictions for non-essential traffic. However, changes came late in the fiscal year when the most significant portion of the tourism travel window has been foregone, resulting in little expected overall effect on the 2021-22 fiscal year. By mid-December 2021, a new pandemic wave brought many restrictions back. In Cornwall, while cross-border paid passenger traffic has been significantly curtailed, the unpaid crossings have continued at approximately the same volume as pre-pandemic levels. This means that for the past two years, uncompensated passenger traffic crossings have accounted for between 60-65% of all crossings across FBCL's portfolio of four bridges.

## LOOKING TO THE FUTURE

Current optimistic FBCL assumptions look towards an up to 24-month period post-removal of border restrictions before a return to pre-pandemic levels of passenger and commercial traffic to its bridges. Increasingly with time passing, this return to normal may actually never occur as was the case post 9/11. 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 logistics, tariffs, changing customer preferences, and in the pandemic societal perceptions to name a few. For those people who live on the border and used to rely on cross-border travel as part of their normal day-to-day routine, it is evident that these routines have been interrupted and canceled altogether. There is no guarantee that these routines will be re-established once border restrictions are fully removed.

The Crown-mandated free passage for the Indigenous population at the Seaway International 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 there is no funding for operational expenses and necessary capital works.

Current existing external environment	External environment projected over the planning period
<b>Competitors</b> <p>To date, the Blue Water Bridge has successfully capitalized on user frustrations with congestion in the Windsor-Detroit area and has robustly established itself as the second busiest land commercial crossing between Canada and the U.S. 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 and Texas.</p> <p>The Thousand Islands and Seaway locations compete with the Ogdensburg-Prescott International Bridge that operates under a different, privatized business model, which uses an aggressive toll rate strategy. This competitive tolling approach heavily constrains FBCL's flexibility in dealing with toll rate elasticity and rate management along the St. Lawrence Seaway.</p> <p>The Sault Ste. Marie crossing is the only vehicular crossing between Ontario and Michigan within a 560 kilometer radius and as such there is limited competition for this bridge location.</p>	<p>The introduction of the new Gordie Howe International Bridge and, potentially, a proposed replacement to the Ambassador Bridge are not anticipated to have a significantly material effect on passenger transits at the Blue Water Bridge, the same is not accurate for highly lucrative long-haul transport trucks. Blue Water Bridge is expected to remain the option of choice for western and southwestern tractor-trailers, however a disruptive cycle to Blue Water Bridge's commercial traffic is anticipated and a new status quo is not expected to be established in the region for at least five years following the opening of the new bridge(s), now projected for late 2024.</p> <p>There are no changes expected at the Thousand Islands, Seaway and Sault Ste. Marie locations.</p>



## Current existing external environment

### Technological and security infrastructure changes

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.

FBCL has strong security plans in place at each location in line with requirements of the *International Bridges and Tunnels Act*. Additionally, security operations centres monitor the activities at each bridge location.

The Blue Water Bridge is Canada's outbound plaza to the U.S. and CBSA traffic processing is beyond its useful life and has infrastructure and system inefficiencies for traffic flow through. Additionally, the plaza is adjacent to the St. Clair River that is at historical level highs and is prone to flooding and require a completely new drainage plan to maintain comprehensive service.

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. The current token program at the Blue Water Bridge is being phased out.

An IT lab was completed, which provides an operational functional space for the team to work cooperatively and expand its support to operations.

## External environment projected over the planning period

The Blue Water Bridge Master Plan has been implemented in phases for more than two decades. FBCL plans to submit plans for funding to the Government of Canada for the remaining rebuild that would span four years.

FBCL is collaborating with the Michigan Department of Transportation in the implementation of a next generation toll management system. The new system would help reduce overall acquisition and maintenance costs as well as facilitate interoperability of frequent crossing account users on both sides of the Blue Water Bridge as well as the Sault Ste. Marie International Bridge.



Current existing external environment	External environment projected over the planning period
<p data-bbox="240 256 578 289"><b>Environmental changes</b></p> <p data-bbox="232 302 833 688">Related to its asset management objectives, with the support of Transport Canada's Transportation Assets Risk Assessment (TARA) Program, 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. The study shows that major infrastructure risks and costs are mitigated; however, many procedures and maintenance costs will be required.</p> <p data-bbox="232 722 833 949">Currently the Blue Water Bridge Corporate Center has been LEED (Leadership in Energy and Environmental Design) certified since June 2015. The majority of the lighting at all bridge locations have been updated to energy efficient light emitting diode (LED) bulbs.</p> <p data-bbox="232 982 833 1209">FBCL is shifting to align with the concept of Environmental, social and corporate governance (ESG). As a public entity, FBCL has already incorporated many key ESG themes in its strategy, operations and reporting throughout the year although not labelled as such.</p>	<p data-bbox="914 302 1515 487">FBCL is shifting to align with the concept of Environmental, social and corporate governance (ESG) which consists of three areas that measure the ethical and sustainability performance of a corporation.</p> <p data-bbox="914 520 1515 705">Currently FBCL is assessing its ESG framework to identify material ESG factors that present the most significant risks and opportunities over the short, medium, and long terms as well as define strategies to mitigate these risks to an acceptable level.</p> <p data-bbox="914 739 1515 890">The Corporation will be developing its climate-related financial risk disclosure as established by the Task Force on Climate-related Financial Disclosure (TCFD).</p> <p data-bbox="914 924 1515 1117">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:</p> <ul data-bbox="946 1150 1515 1831" style="list-style-type: none"> <li>• Address action plan resulting from climate study which include increased procedures and maintenance costs;</li> <li>• Greenhouse gas inventory studies;</li> <li>• Finalize LED transition on remaining lights on the bridge and building infrastructure;</li> <li>• the installation of electric vehicle charging stations at all its bridges;</li> <li>• feasibility assessment for the generation of green (solar, wind, etc.) energy at its facilities;</li> <li>• increase vehicle processing resulting in shorter idling time; and,</li> <li>• work with CBSA and CBP to improve traffic flow such as Secure Corridor and e-Gates</li> </ul>

Current existing external environment	External environment projected over the planning period
<p data-bbox="232 258 526 289"><b>Economic indicators</b></p> <p data-bbox="232 300 833 1245">Government decisions directly affect FBCL's operations with the most notable decision being the enforced strict rules eliminating substantially all non-essential cross-border traveling commencing in the latter half of March 2020 due the pandemic. The Canadian Federal Government announced that starting August 2021, fully vaccinated Americans were permitted to enter into Canada, with specific conditions, and the U.S. Federal Government announced that starting in November, fully vaccinated Canadians will be permitted to enter into the United States. The stipulations are constantly evolving regarding cross-border traffic. For example, there was the removal for testing for trips less than 72 hours at the end of November 2021 in order to allow for personal travel, which was repealed 3 weeks later. However, in January 2022 most essential service providers such as trucking companies, which were previously exempt from entry requirements, will only be allowed to enter Canada and the US if they are fully vaccinated. Strong concerns about the impact to cross-border trade of this latest development and new variants remain.</p> <p data-bbox="232 1276 833 1465">Currency exchange rates directly influences the value of goods beings imported or exported as well as whether individuals will travel. In 2019 and 2020 calendar years, the exchange rate has been generally 1.33 whereas in 2021, the rate has average 1.25.</p>	<p data-bbox="914 300 1520 489">As defined in the 2021 Speech from the Throne, two of Government of Canada's priorities are to get the pandemic under control and to grow a more resilient economy. Both of these priorities should have a positive impact on FBCL's operations.</p> <p data-bbox="914 520 1520 793">In unprecedented times, it is difficult to determine if further pandemic waves are anticipated that could result in more strict restrictions being reinstated. The projected planning period assumes that restrictions as at 12.31.21 will remain in place until 3.31.22 and then restrictions will be substantially lifted and phased out in stages thereafter.</p> <p data-bbox="914 825 1520 930">Looking forward, it is estimated that the exchange rate will remain around 1.25 in the next twelve-month period.</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 Her Majesty in regards to its mandate for the collection of tolls at the Seaway International Crossing. The amount of the claim is \$50M , subject to accounting for bridge tolls and revenues. The Attorney General of Canada has assumed responsibility to defend against the claim.</p> <p>FBCL is committed to a favourable settlement for all parties.</p>	<p>Over the planning period, FBCL is anticipating the completion of the Crown's long standing land claim litigation with the Mohawks of Akwesasne through a favourable settlement for all parties.</p>

## Compliance with Authorities

### MINISTERIAL DIRECTIVES

The Corporation 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:

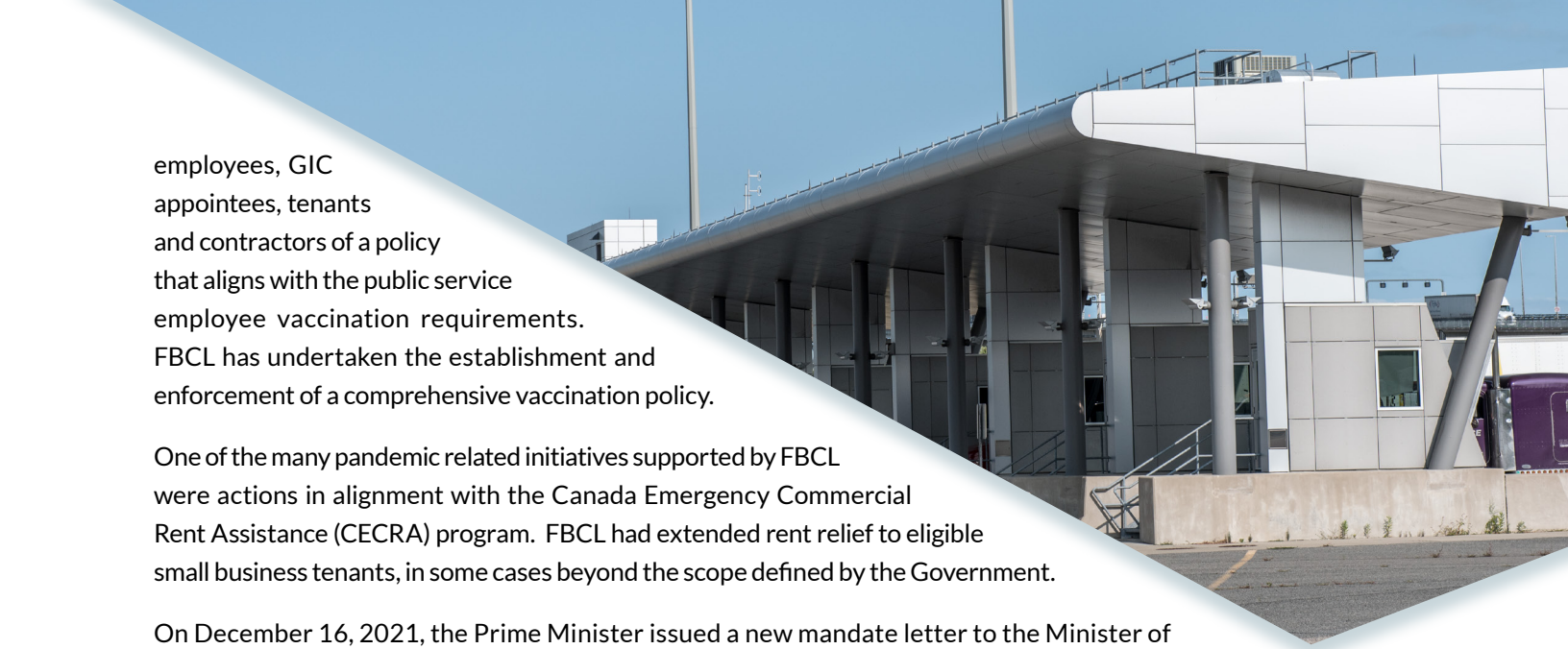
- Ensuring that pension plans provide a 50:50 current service cost-sharing ratio between employee and employers; and
- Aligning its travel, hospitality, conference and event expenditure policy with Treasury Board policies, directives and related instruments.

### MINISTERIAL SPIRIT AND INTENT

The Minister of Transport has issued a new mandate letter to FBCL. The letter reiterates that collaboration remains essential to advancing the government's priorities and policy objectives by positioning FBCL to fight climate change where it can, help strengthen the middle class, walk the road of reconciliation, improve accessibility, and stand up for fairness and equality. FBCL is also to do its part by providing safe, secure and efficient transportation options in support of economic recovery and growth for middle-class Canadians.

On October 6, 2021, the Prime Minister announced a mandatory vaccination policy for the federal public service. More specifically, the communication of the policy requires FBCL implementation in a coherent and coordinated manner for





employees, GIC appointees, tenants and contractors of a policy that aligns with the public service employee vaccination requirements. FBCL has undertaken the establishment and enforcement of a comprehensive vaccination policy.

One of the many pandemic related initiatives supported by FBCL were actions in alignment with the Canada Emergency Commercial Rent Assistance (CECRA) program. FBCL had extended rent relief to eligible small business tenants, in some cases beyond the scope defined by the Government.

On December 16, 2021, the Prime Minister issued a new mandate letter to the Minister of Transport and while not directly issued to FBCL, FBCL does align its priorities with its' Minister. The letter requests that Crown entities:

- seek opportunities to reduce emissions, create clean jobs and address the climate-related challenges communities are already facing;
- implement the United Nations Declaration on the Rights of Indigenous Peoples and to work in partnership with Indigenous Peoples to advance their rights;
- include and collaborate with various communities, and actively seek out and incorporate, the diverse views of Canadians;
- maintain professional and respectful relationship with journalists to ensure that Canadians are well informed and have the information they need to keep themselves and their families safe;
- adapt and develop more agile and effective ways to serve Canadians by evaluating ways to update practices; and
- enforce vaccination requirements across the federally-regulated transport sector.

The mandate letter also sets out a list of commitments. Of those commitments, the following applies directly to FBCL:

- continue working with the Minister of Public Safety and the Minister of Health to protect the health and safety of Canadians through safe, responsible and compassionate management of the border with the United States.

## 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 (43183-0147 (R)). 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.



## PLANS TO ALIGN WITH GOVERNMENT PRIORITIES AND DIRECTION

As defined in the 2021 Speech from the Throne, the Government of Canada's priorities are focused on getting the pandemic under control; grow a more resilient economy, protecting the environment, supporting law enforcement and, continuing promoting diversity and inclusion including moving faster on the path of Indigenous reconciliation. FBCL's plans to align with the Government of Canada's priorities are as follows:

### Fight against COVID-19:

- Facilitated safe, secure international trade and efficient transit of people and goods
- Extended rent relief to eligible small business tenants, in some cases beyond the scope defined by the Government
- Undertaken the establishment and enforcement of a comprehensive vaccination policy
- Focused on employee and public health and safety and improved facilities sanitization

### Climate change:

- Blue Water Bridge Corporate Center is LEED certified since 2015
- Replacement to light emitting diode (LED) bulbs at all bridge locations
- Commitment to continuously improve vehicle throughput including CBSA and CBP tentative projects anticipated at the Blue Water Bridge such as Secure Corridor and e-Gates
- Implementation of action plan resulting from the recent climate impact study
- Shift to align with the concept of Environmental, social and governance (ESG)
- Conduct greenhouse gas inventory studies

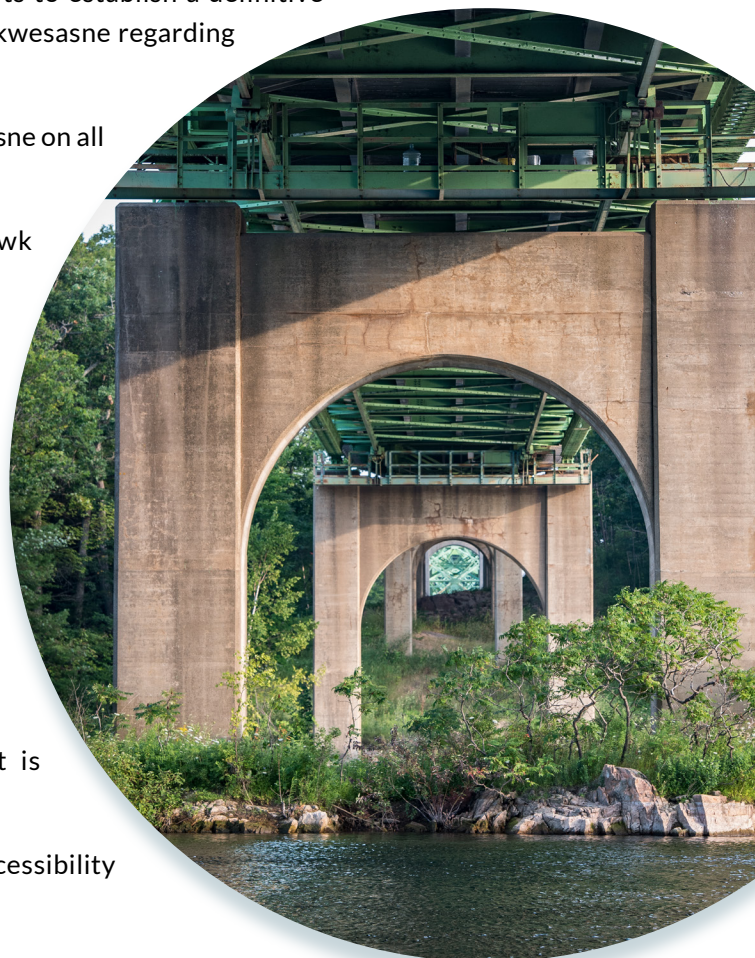


#### Indigenous Relationships:

- Collaborates with the community including supporting environmental protection of the lands and waterways adjoining bridge facilities
- Actively engaged in its support for the Crown's efforts to establish a definitive settlement agreement with the Mohawk Council of Akwesasne regarding its land claims
- Maintain dialogue with the Mohawk Council of Akwesasne on all major projects and on various operational matters
- Provide free passages for member of the Mohawk community at the Seaway International Bridge
- Work with both the U.S. and Canadian governments to establish a new governance and funding mechanism for SIBC
- Respect of the region's history and establish protocol for consultation for certain projects with the Aamjiwnaang First Nation

#### Equitable workforce:

- Ensure a broadly diverse workforce
- Promote a healthy and respectful workplace that is intrinsically tied to diversity and inclusion
- Ensure that operational facilities comply with the accessibility legislation



#### SPECIAL EXAMINATIONS AND AUDITS

Over the course of fiscal 2021-22, the Office of the Auditor General conducted its fieldwork of the first special examination of the post-amalgamation FBCL. The first draft of the report was provided to the Chief Executive Officer in November 2021 with the revised draft going to the Audit Committee for commenting in January 2022 and to the Board of Directors for approval in March 2022. The final report is expected to be provided to Parliament as early as June 2022.

On a three-year cycle, the Corporation conducts a risk based audit plan, performing internal audits on a broad set of topics. The 2018-2020 audit cycle focused primarily on Finance policies and processes post amalgamation while the 2021 to 2023 cycle focuses on a broader aspects including Information Technology, Security, Infrastructure, Finance and a review of all significant Corporate and Administrative policies. Additionally, the Office of the Auditor General 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 for Blue Water Bridge
- Excellence in planning and capital project delivery for long term viability of bridge and related infrastructure
- Experienced leadership, committed and capable staff
- Effective performance and risk measurement and management
- Positive support from the Crown and goodwill in user communities
- Partnership and collaboration with engaged and responsive organizations

### WEAKNESSES

- Cash reserves for capital projects depleted due to pandemic resulting in insufficient funds to properly invest into capital projects
- Long-term sustainability surrounding 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
- Nothing to offset costs resulting from CBSA/CFIA requirements

### OPPORTUNITIES

- Establishment of a new governance framework for SIBC with U.S. partner, GLS that takes into consideration compensation for Crown-mandated free passage
- Completion of the Crown's long standing land claim litigation with the Mohawks of Akwesasne through a favourable settlement for all parties
- Financial support to eliminate the pre-amalgamation debt assumed
- Growth opportunities such as revenue diversification and integration with other international bridges

### THREATS

- Continually changing restrictions on cross-border travel due to pandemic with no known end date
- Increased competition, particularly from new Windsor-Detroit bridge corridor
- Highly dependent on macro-economic factors, exchange rates and political decisions
- Higher than normal inflation and sector escalation rates for construction materials and labour driving higher capital works costs
- Climate change has direct impact on infrastructure integrity
- Three of four bridges are dependent on passenger traffic and therefore dependent on changes in travel behaviours

## FBCL Assessment of Results



**4** international bridge crossings  
**10** individual bridge structures  
**20** major buildings

### VITAL REVENUE AND TRAFFIC (2021-22)

72%	REVENUE ATTAINMENT TO PRE-PANDEMIC - \$12M GAP
>100%	REVENUE ACHIEVEMENT TO AMENDED CORPORATE PLAN TARGET
96%	Commercial Traffic Throughput to Pre-Pandemic
21%	Passenger Traffic Throughput to Pre-Pandemic

**Serious concerns**  
about persisting **pandemic**  
**conditions** resulting in **traffic**  
**limitations** at international  
bridges.

### Bridge Operations (2022-23)

<b>116 Employees*</b>	38 % Unionized 62 % Non-represented 100% Diversity Goal Achievement 3 bi-national partners
<b>\$29.2M Operating Budget</b>	Continued cost containment with essential spending on safety and security not sacrificed.
<b>\$7.4M Capital Budget</b>	Key projects enhance - security - traffic safety - new tolling system

### Key Success YTD

- 1** Upheld bridge operations with  
partners through pandemic with no  
workplace transmission of COVID-19
- 2** Positive bridge inspection results
- 3** Maintained Credit Rating A+ (outlook  
negative)
- 4** Reached successful completion of  
OAG Special Examination
- 5** Delivered on major projects  
and reconfirmed 40-year asset  
management plan

\*Corporation and subsidiary



## Capital Projects

The following significant and critical projects will occur through a combination of confirmed capital appropriation funding and ongoing applications through the National Trade Corridors Fund (NTCF).

<b>Blue Water Bridge</b> Project cost: total \$226M, including \$20M (FBCL funded) previously incurred pre-pandemic	<p>Upgrade of the plaza for improved efficiency and throughput of traffic, reducing idling, waiting times, and greenhouse gas emissions. Focus on next generation technologies to improve traffic management, customer relationship, and greening of operations.</p> <p>Essential bridge rehabilitation and resurfacing to enable safety and security improvements.</p>
<b>Thousand Islands Bridge</b> Project cost: \$34M	<p>Mandatory replacement of key bridge maintenance items including cable replacement, deck rehabilitation and bearing replacement.</p> <p>Improvement to technological infrastructure, providing security and traffic flow advancements, and key replacement of aged maintenance facilities.</p>
<b>Sault Ste. Marie Bridge</b> Project cost: \$8M	<p>Necessary bridge coating treatment to prevent corrosion and preserve bridge structural integrity on Canadian side of asset.</p> <p>Fundamental enhancements to bridge infrastructure to allow uninterrupted year-round access for commercial vehicles.</p>
<b>Seaway Bridge</b> Project cost: \$25M (\$24M previously awarded as part of the Gateways and Border Crossings Fund)	<p>Bridge-critical structural and infrastructure requirements to prolong bridge life and ensure safe and secure crossings for the public. Essential renewal of decades-old equipment essential for bridge operations.</p> <p>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. 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. In 2021-22, the Board of Directors and senior leadership began a process to revise the presentation of the strategic goals to be more robust with the intent of finalizing its content by fiscal 2022-23.

### Area: Assets, Infrastructure and Operations

Objectives	Activities and Strategies	Milestones
Maintain Quality of Assets / Stewardship	Augment Asset Management Program	Digitalization of asset inventory and GIS mapping complete
Deliver Optimal Traffic Flow & Level of Service	Articulate service standards and indicators for operational performance	Level of Service Standards Policy implemented
Further Integration of the Portfolio	Initiate creation of Smart Corridor Concept	Measurement of key service levels conveyed 2023-24
	Expand Customer Relationship and Amenities	Align statistical process control data to new Toll Collection system 2023-25
		Commercial ConneXion program implemented
		BWB Rehabilitation
		If funded, completion of: <ul style="list-style-type: none"> <li>SIB Administration and Toll Facilities Relocation</li> </ul>

## Area: Adaptable Scalability

Objectives	Activities and Strategies	Milestones
<p>Prioritize Risk Management</p> <p>Optimize Business Operations</p> <p>Enhance Value Proposition</p>	<p>Prioritize major capital projects &amp; proactive maintenance</p> <p>Expand environmental stewardship and resiliency</p> <p>Fortify partner and stakeholder relationships</p> <p>Broaden digital transformation</p>	<p>If funded:</p> <ul style="list-style-type: none"> <li>Thousand Islands infrastructure and security upgrade</li> </ul> <p>South Channel Bridge rocker arms replacement</p> <p>BWB Rehabilitation</p> <p>Thousand Islands Bridge repairs</p> <p>Develop FBCL ESG Framework and Action Plan</p> <p>SIB - Funding and resolution of the governance structure</p> <p>Active role as bi-national owner representative and participation on bi-national bridge Boards of Directors</p> <p>Implement Toll Collection System interoperable with MDOT</p> <p>Ensure secure systems and infrastructure</p> <p>Further enable workflow and digital tools</p>



## Area: Financial Sustainability

Objectives	Activities and Strategies	Milestones
Diversify Revenue and Grow	Expand commercial revenue	Ongoing activity
Control Robust Financial Operations	Broaden dynamic approach to tolling	New Toll Collection System <ul style="list-style-type: none"> <li>Go live: 2022</li> </ul>
Solidify Capital and Debt Plans	Restore capital fund and reduce debt with targeted Crown support	<ul style="list-style-type: none"> <li>Commercial ConneXion enhancement 2022-23</li> <li>Payment mobility 2023-24</li> </ul>
SIBC Business Model Resolution	Complete partnership renewal agreement in Cornwall	Ongoing toll optimization
	Finalize Settlement Agreement with Government of Canada and Mohawk Council of Akwesasne	Bond repayment complete 2027
		Finalize negotiations with GLS and related funding sources with Transport Canada support
		Awaiting referendum of the Mohawk community targeted for December 2022

## Area: Nurture Excellence in People

Objectives	Activities and Strategies	Milestones
Support Employee Development and Diversity	Develop employee-focused user experience framework	Align development plans to succession plan
Deepen Labour Goodwill and Corporate Citizenship	Maximize industry exchange of management practices	Support annual opportunities for cross-portfolio skills and practices exchanges
Maintain Community Engagement Opportunities	Augment employee engagement and corporate strategic knowledge	Transition operations employees to new roles within toll collection system
		Secure new collective agreement in 2023-24

# Risk Management

## Our risk profile

The Corporation risk profile contains twelve (12) independently monitored risks which the company manages on a regular basis, adapting it to market and environmental changes. The following is our risk profile view on December 31, 2021:

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

Financial Sustainability	▲↑	High financial exposure at the Seaway International Bridge Corporation due to toll exempt passage and continued operating deficits. Continued dialogue with Government of Canada on possible funding options for FBCL and SIBC and review toll adjustments and other revenue generation.
Public and Asset Security	▲↔	The portfolio of bridges remain secure and protected from misuse and threats, however risk remains high due to incidences of port running and mental health issues that can result in a bridge closure. Adequate international bridges security plans and high-alert security protocols are in place. Increased security camera coverage (CCTV) for restricted access areas and dedicated teams that monitors and reports to local law enforcement 24/7 assist in management.
Cybersecurity	■↔	Data integrity and security is key to decision making. Increased awareness with respect to data breaches and ransomware. Fulsome review of cybersecurity program design proceeding and continuous training deployed.
Technology	■↓	Existing in-house solutions increased the risk from a resource support perspective. New toll collection system being deployed will reduce operational and technology support risks;
Organizational	■↔	COVID-19 has had severe impacts on Seaway International Bridge Corporation resources. FBCL continues to work closely with Transport Canada and partner Great Lakes Saint Lawrence Seaway Development Corporation (US).
Fraud	■↓	Cash intake decreased during the pandemic. Additional fraud prevention training for employees and robust internal audit plans are in place.
Public Safety	■↔	Minimal COVID-19 cases and no workplace infections. Vaccination policy implemented for Board members, employees, contractors and tenants.
Workforce Management	●	Risk remains low.
Partnerships / Stakeholders	●	Risk remains low.
Reputation	●	Risk remains low.
Infrastructure	●	Risk remains low. Full compliance with bridge inspections requirements.

# 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 while also building fiscal surpluses to responsibly address the present and future major capital requirements of the bridges, approaches, and facilities. The effects of COVID-19 devastated FBCL's revenue sources immediately. These revenue sources have only partially come back, that being commercial truck traffic, where essential goods have been able to cross the border throughout the pandemic. However, passenger vehicle traffic and lease revenue has been ravaged, resulting in FBCL having to use up the totality of its accrued financial resources to fund the capital plan built up before the pandemic.

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. In 2020-21, this support totaled \$6.0M, and is expected to total \$10.5M in 2021-22. A significant portion of this funding has gone to support the Seaway International Bridge crossing in Cornwall, as the traffic here has continued at largely pre-pandemic levels of Crown-mandated free-passage for the Mohawk community, resulting in no opportunity for expense savings despite only receiving a fraction of paying traffic revenue.

Throughout, FBCL has been able to maintain operations, complete critical projects, and stay on top of debt payments, however many capital projects have been delayed by two years or more. This represents a severe opportunity cost and risk for FBCL as aging infrastructure that is improperly maintained will soon cost FBCL significantly more than had the corporation been able to attend to these matters on time or after only a year of delay. Combined with the dramatic inflation costs and escalation of costs in the construction industry, FBCL has been hit doubly, or triply, hard.

To assist in mitigating this, the Government of Canada has confirmed funding of up to \$30.6M over the coming three years to get FBCL started on its road to rebuild and progress.







## Operating Budget

FBCL revenues are derived from a combination of toll collection, lease revenue, and other revenue sources (including investment income). As compared to years before the pandemic, revenue from the primary sources (tolls and leases), FBCL only received 60% of this revenue in 2020-21, and expects to receive only 70% and 75% in 2021-22 and 2022-23. During this time full operational capacity has necessarily been continued. Due to this expected continued disparity with ongoing border restrictions and limitations, to continue full operations FBCL will require operating assistance from the Government of Canada.

FBCL has depleted all of its financial resources to sustain operations of its international bridges and fund CBSA and CFIA facilities during the pandemic. Given that the corporation does not forecast a return to full traffic levels until at least the 2025-26 fiscal year, FBCL has engaged in a very aggressive budget cutting exercise, both capital and operating costs. There is simply not enough revenue available to keep bridges operating and sustain the asset management program. Deferral of investment will result in an important opportunity cost.

Expenses for the past two years have been reduced, as discretionary spending has been all but halted. However, operation of FBCL's portfolio of bridges require 24/7 coverage and full and proper maintenance and upkeep of the structures. Staff, particularly in maintenance departments, across the portfolio of bridges need to be brought back to work and engage in routine maintenance and catch up on maintenance projects to ensure FBCL's assets do not incur additional unattended wear and tear. In the coming years, in addition, FBCL is planning on continuing to maintain assets per necessary levels within its asset management plan, fully scoping in all significant infrastructure assets. This asset management plan will provide significant insight into FBCL's assets, their expected lives, and refine the maintenance activities that are required on each asset.

The funding in excess of expenditures over the course of this plan has a significantly lower surplus in 2022-23 as compared to future years of this plan. This lower surplus is due to the continued expected depression expected in the paying cross border traffic. This excess of funding over expenditures is utilized to fund FBCL's considerable debt payments. To ensure continued payment of these debt obligations in 2022-23, FBCL needed to draw upon a loan for which authority has been received for 2021-22.



## Capital Budget

The effects of the COVID-19 border restrictions are being felt especially hard with FBCL in terms of its 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 has been put into a situation where it has a clear and defined deficit in terms of funding related to required project spending. A decade of cuts at the Seaway International Bridge related to lower toll revenues as Crown-mandated free passage has strongly overtaken paying traffic and has also placed the 63-year old South Channel Bridge in a major capital deficit. Approved funding for the first three years of this plan will certainly help get this work started, as the funds that will be generated from operations are required to sustain operations and no operational surplus is forecasted to be available to meet bridge repair needs.

Projects for which funding has been approved for work at multiple locations, includes:

- Blue Water Bridge:
  - rehabilitation and deck works on both spans of the Blue Water Bridge;
  - security improvements;
  - toll system updates;
- Sault Ste. Marie International Bridge:
  - Priority bridge repairs;
- Seaway International Bridge:
  - bridge safety;
  - replacement of critical equipment; and
- Thousand Islands International Bridge:
  - bridge safety.

These projects total \$27.3M over the next three years.

In addition, FBCL is planning submissions for capital funding to the National Trade and Corridors Fund (NTCF). These projects, if approved, will result in facilities and infrastructure that will bring environmental responsibility, ease the flow of goods between Canada and the US, and take advantage of innovation in order to ensure FBCL's crossings remain the safest crossings in country.

For operational survival, FBCL has been able to defer certain projects and spending. However, with this deferral, projected maintenance and repair expenses have increased. Costs are quickly rising due to inflation, supply constraints and escalation and are estimated at an additional 15% annually. Despite approved funding of \$27.3M over the next three years, FBCL is planning to be able to undertake up to \$10.1M worth of projects on its own over five years.

In addition to this funding, FBCL is working with Transport Canada to maintain marked funding for the relocation of SIBC facilities from Cornwall Island.

## Debt Review

The Corporation has financing arrangements to fund 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 continues to make bi-annual payments to satisfy the \$110.0M worth of bonds, which are budgeted to be fully paid by July 2027. As of March 31, 2022, FBCL will still be required to make almost \$50.0M 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. In the event that FBCL were to be able to receive funding to satisfy this debt obligation, the majority of appropriation requests made as part of this Corporate Plan would disappear and FBCL would be able to make these investments of its own accord. However, burdened with this debt ties the financial hands of FBCL irrevocably until at least 2027.

As part of an appropriations request in the prior year, FBCL's appropriations request was reduced by an amount of \$10.0M and the corporation was advised to undertake a loan of \$10.0M instead. These funds are being accessed in the 2021-22 fiscal year, and will simply service debt payments on bonds for only the 2022-23 fiscal year.

The corporation has no intention of entering into any new capitalized leases or loan facilities within the forthcoming 5-year corporate plan that require approval in accordance with Section 127(3) of the *Financial Administration Act* and the associated *Crown Corporation General Regulations, 1995*.





## On-going Operational Priorities

International bridges are complex operations that feature the collection of tolls, traffic flow management, on-going 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 on-going operational areas include but are not limited to:

- Quality customer service;
- Improvement to bridge facilities;
- Financial self-reliance for daily operations;
- Positive relationships with stakeholders; and,
- Sustaining intrinsic engagement of employees





# 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

There were two mandate letter or direction provided by the Minister of Transport to FBCL:

- The Minister of Transport has issued a new mandate letter to FBCL on July 14, 2021. The letter reiterates that collaboration remains essential to advancing the government's priorities and policy objectives by positioning FBCL to fight climate change where it can, help strengthen the middle class, walk the road of reconciliation, improve accessibility, and stand up for fairness and equality. FBCL is also to do its part by providing safe, secure and efficient transportation options in support of economic recovery and growth for middle-class Canadians.
- On October 6, 2021, the Prime Minister announced a mandatory vaccination policy for the federal public service. This same message was reiterated in a letter from Minister of Transport to FBCL dated October 25, 2021. More specifically, the communication of the policy requires FBCL to implement in a coherent and coordinated manner for employees, GIC appointees, tenants and contractors of a policy that aligns with the public service employee vaccination requirements. FBCL has undertaken the establishment and enforcement of a comprehensive vaccination policy.

The Federal Bridge Corporation Limited also operates in accordance with the guidance expressed in the Prime Minister's 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.

<https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-transport-mandate-letter>



## Minister of Transport mandate letter to FBCL - July 14, 2021

Minister of Transport



Ministre des Transports

Ottawa, Canada K1A 0N5

Ms. Pascale Daigneault  
Chairperson of the Board of Directors  
Federal Bridge Corporation Limited  
200-55 Metcalfe Street  
Ottawa ON K1P 6L5

Dear Ms. Daigneault:

It is an honour to serve Canadians as the Minister of Transport and a privilege to be able to work with key partners such as the Federal Bridge Corporation Limited (FBCL) during this pivotal time for both the transportation sector and the country as a whole.

Given that the world has changed significantly because of the COVID-19 pandemic, I wish to communicate to you that, now more than ever, our collaboration remains essential to advancing the government's priorities and policy objectives. I look forward to deepening a strong working relationship that fosters open communication and a shared commitment to advancing the government's priorities and policy objectives, and ensuring that FBCL remains a key component of Canada's transportation system.

In supporting my accountability to Parliament for your organization, I will work with you to ensure that Canada's transportation system supports the government's ambitious economic response and recovery efforts in fighting the pandemic and building back a better Canada. Together, during these challenging times, we will position FBCL to fight climate change where it can, help strengthen the middle class, walk the road of reconciliation, improve accessibility, and stand up for fairness and equality.

The fight against climate change remains of paramount importance to this government, and I expect that FBCL will provide its support by ensuring that opportunities to advance this cause are considered in your organization's priorities, plans and operations.

In Budget 2021, the government indicated its intention to finish the fight against COVID-19, create jobs and growth, and support a resilient and inclusive recovery. I expect that FBCL will do its part by providing safe, secure and efficient transportation options in support of economic recovery and growth for middle-class Canadians.

Canada

When Indigenous people experience better outcomes, all Canadians benefit. To this end, I expect that FBCL will join us as we continue to walk the road to reconciliation together. This should include, but not be limited to, consulting Indigenous communities where appropriate and incorporating Indigenous perspectives into organizational operations and planning processes.

I also expect that, per the *Accessible Canada Act*, FBCL will ensure that it is doing its part to help make the transportation system more accessible for persons with disabilities.

Together, we must also continue delivering real results for Canadians. This includes tracking and publicly reporting on the progress of our work, assessing our work's effectiveness, aligning resources with priorities, and adapting to events as they unfold. To this end, your corporation's corporate plan remains the most important vehicle by which my colleagues and I can assess what results Canadians can expect from FBCL, and the annual report is the most important mechanism by which to assess FBCL's results.

We must also continue to work together to improve how we collectively approach Crown corporations' corporate plan approvals. This need was underscored by the concerns raised in the Office of the Auditor General's spring 2018 Report, tabled in Parliament on May 29, 2018. Transport Canada, Transport portfolio Crown corporations and central agencies each have a role to play. To this end, I would ask for your continued support in ensuring that, to the extent that circumstances are within FBCL's control, FBCL's future corporate plans are prepared sufficiently in advance.

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. By extension, I expect that FBCL will incorporate a similar focus on the abovementioned populations in all its labour force practices.

Recognizing the value of incumbents to ensuring consistent good governance, for those individuals previously appointed through an open process, I will consider recommending reappointment based on past performance and the Board's current needs in terms of diversity and skills. Transport Canada officials will engage with you to assess the performance and contribution of any incumbent being considered for reappointment.

Furthermore, as always, the legal and ethical obligations of public office holders remain paramount. All appointees should abide by the principles found in the Prime Minister's recently updated statement on Open and Accountable Government, with particular attention paid to the Ethical Guidelines set out in Annex A. All boards should also ensure ongoing compliance, both for their organization and for themselves, with the relevant requirements of the Treasury Board Secretariat Directive on Travel, Hospitality, Conference and Event Expenditures, the *Lobbying Act*, and the *Conflict of Interest Act*.

I recognize that your corporation has been deeply impacted by the sudden and dramatic drop in toll revenues resulting from the cross-border travel restrictions related to COVID-19. Our government provided FBCL with emergency funding to enable the corporation to continue safely operating the four bridges within its portfolio through the end of the 2021–22 fiscal year. This funding is to be commensurate with the drop in revenues originally forecasted by FBCL in October 2020.

Regarding the Seaway International Bridge Corporation (SIBC), I understand that the impacts of COVID-19 have exacerbated the long-term financial pressures felt by the subsidiary corporation. Finding a long-term solution to SIBC's financial pressures is a priority for our government. I wish to thank FBCL for the work done to date on this matter, and I expect the organization to continue work with the department in seeking a solution while maintaining a constructive and effective relationship with the U.S. co-owner of the bridge.

Last but not least, as the Seaway Bridge crossing runs through the Mohawks of Akwesasne territory, I expect that FBCL will do everything it can to ensure that its interactions, and those of its subsidiary, with the Mohawks of Akwesasne will be exemplary and aligned with the government's reconciliation goals. This means, at a minimum, engaging in regular dialogue with the Mohawks of Akwesasne and continuing to ably support the work related to the settlement agreement on the Sunday Mitchell case.

I remain confident that FBCL will continue to soundly manage its bridge assets and diligently manage any issues that may arise. I look forward to continuing to work with you in advancing your corporation's plans, priorities and challenges.

Sincerely,

A handwritten signature in black ink, appearing to read 'Omar Alhabra', with a stylized flourish at the end.

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



Minister of Transport



Ministre des Transports

Ottawa, Canada K1A 0N5

Ms. Pascale Daigneault  
Chairperson of the Board of Directors  
Federal Bridge Corporation Limited  
200-55 Metcalfe Street  
Ottawa ON K1P 6L5

Dear Ms. Daigneault:

As you know, on October 6, 2021, the Prime Minister announced a mandatory vaccination policy for the federal public service, employees of the federally regulated transportation sectors, and travellers. Employers in the federally regulated air, rail, and marine transportation sectors will have until October 30, 2021, to establish vaccination policies for employees. Crown corporations and separate agencies are also being asked to implement vaccine policies mirroring the requirements for the rest of the public service.

Further to this announcement, I am writing to you in your capacity as Chair of the Federal Bridge Corporation Limited to seek your support as part of the Transport Portfolio to ensure that a policy is implemented in a coherent and coordinated manner for employees, tenants and contractors in your organization that mirrors the public service employee vaccination requirements. As such, the Federal Bridge Corporation Limited, and its subsidiary, is expected to ensure that its vaccination requirements are fully aligned with the requirements of the Government's policy, including the core elements of attestation and compliance, by no later than November 30, 2021.

This includes ensuring that the core elements of attestation and compliance enforcement deadlines that fall on or before November 30 are met. Full alignment is also expected to include audit and verification within the governance frameworks appropriate to your organization. To ensure this deadline is met, I encourage you to engage with relevant bargaining agents where collective agreements should be considered.

Vaccination requirements should apply to all employees, officers, and directors. Crown corporations are also expected to implement the vaccination requirements that apply to Governor in Council (GIC) appointees affiliated with their corporation, including members and chairs of their governing boards and Chief Executive Officers. The *Terms and conditions applying to Governor in Council appointees* will require GIC appointees to be fully vaccinated and to comply with all oversight, information requirements, compliance, and reporting measures put in place by Crown corporations. More information for GIC appointees is available from the Senior Personnel Secretariat at the Privy Council Office (PCO-SPS).

.../2

I am asking that you reply to this letter by October 30, 2021, with a written assurance that the Board of Directors has reviewed the government's policy on mandatory vaccinations and that it intends to develop a policy on mandatory COVID-19 vaccinations for employees, officers, directors, tenants and contractors by October 30, 2021, with a target implementation date of November 30, 2021. The Federal Bridge Corporation Limited will also be asked to report to PCO-SPS with respect to the GiC appointee population, specifically. Finally, the Federal Bridge Corporation Limited is also expected to report on implementation status through the usual reporting instruments, including your annual report and corporate plan (where relevant).

Should you have any questions pertaining to this request, please contact Mr. Marc-Olivier Ranger, Director General, Crown Corporations and Portfolio Governance, at [Marc-Olivier.Ranger@tc.gc.ca](mailto:Marc-Olivier.Ranger@tc.gc.ca).

A significant public trust has been placed in each Crown corporation's Board of Directors, and I would like to acknowledge and thank you for your ongoing efforts and support to mitigate the impacts of COVID-19. I know that I can count on you and your fellow board members to oversee a Crown corporation that exercises effective and accountable stewardship of its resources during the implementation of its mandatory vaccination policy.

Sincerely,



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

c.c.: Ms. Natalie Kinloch  
Chief Executive Officer, Federal Bridge Corporation Limited







# 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 *Financial Administration Act*. 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 Blue Water Bridge and the Seaway International Bridge are administered directly or through a subsidiary by FBCL whereas FBCL provides a liaison function through local bridge authorities for the operations of Sault Ste. Marie International Bridge and Thousand Islands International Bridge.

## 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 web site.

## Board of Directors Membership

Position	Location	OIC Appt. Date	Term
<b>Pascale Daigneault</b> Chairperson	SARNIA, ONTARIO	MAY 9, 2021*	5 YEARS
<b>John Lopinski</b> Vice-Chairperson	PORT COLBORNE, ONTARIO	FEBRUARY 1, 2022**	4 YEARS
<b>Natalie Kinloch Director</b> Chief Executive Officer	NORTH GLENGARRY, ONTARIO	FEBRUARY 1, 2019	5 YEARS
<b>Karen Hill***</b> Director	OHSWEKEN, ONTARIO	FEBRUARY 1, 2019	4 YEARS
<b>Marie-Jacqueline Saint-Fleur</b> Director	MONTREAL, QUEBEC	JUNE 6, 2018	4 YEARS
<b>Andrew Travis Seymour</b> Director	OTTAWA, ONTARIO	JUNE 6, 2018	4 YEARS
<b>Rakesh Shreewastav</b> Director	TORONTO, ONTARIO	MAY 9, 2019	4 YEARS

\* Original appointment May 9, 2019 for a term of 2 years.

\*\*Original appointment May 9, 2019 for a term of 2 years.

\*\*\* This member has resigned from their position effective December 31, 2021.

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 *Financial Administration Act*, 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 practices, 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, and the resulting plans and reports. 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 has recently been expanded to include Environmental Social Governance 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. 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 Office of the Auditor General conducts 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 *Financial Administration Act*. The Office of the Auditor General 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 is presently under way with a report expected in June 2022.

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 to identify key risk areas common to all bridge locations. The current audit plan focuses on fraud prevention, policies, and security.

## Senior Executives

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

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



## 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.

	Sault Ste. Marie International Bridge	Blue Water Bridge	Thousand Islands International Bridge	Seaway International Bridge
<b>FBCL Ownership</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 Bridge; 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 <i>New York State Public Authorities Law</i> public benefit corporation	Great Lakes St. Lawrence Seaway Development Corporation, 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, a 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 Great Lakes St. Lawrence Seaway Development Corporation)



# Planned Results

The following provides an overview of the Corporation's performance to date and intended results for the future.

## Area: Assets, Infrastructure and Operations

Objectives	Strategies	Key Initiatives	Results & Targets	Source Data
<p>Maintain Quality of Assets / Stewardship</p> <p>Deliver Optimal Traffic Flow &amp; Level of Service</p> <p>Further Integration of the Portfolio</p>	<p>Augment Asset Management Program</p> <p>Articulate service standards and indicators for operational performance</p> <p>Initiate creation of Smart Corridor Concept (NEW)</p> <p>Expand Customer Relationship and Amenities</p>	<p>Complete major projects:</p> <ul style="list-style-type: none"> <li>• South Channel Bridge rocker arm replacement; and,</li> <li>• New Toll Collection System at Blue Water Bridge, and Sault Ste. Marie, fully integrating with MDOT.</li> </ul> <p>Asset management program components to complete:</p> <ul style="list-style-type: none"> <li>• Assessments of underground utilities;</li> <li>• Digitization of the asset inventory; and,</li> <li>• Measurement of key service levels conveyed.</li> </ul> <p>Align statistical process control data to new Toll Collection System.</p> <p>Eliminate obsolete token program at Blue Water Bridge</p> <p>Scope implementation of Smart Corridor Concept. (NEW)</p> <p>BWB Rehabilitation</p> <p>Sault Ste. Marie re-coating</p> <p>TIB and SCB suspender cable replacement program</p> <p>If funded:</p> <ul style="list-style-type: none"> <li>• SIB Administration and Toll Facilities Relocation; and</li> <li>• TIB security and modernization.</li> </ul>	<p>Major projects completed on time and on budget.</p> <p>Asset management program solidifies post-pandemic 40-year capital plan.</p> <p>Interoperability in tolling with Michigan crossings</p> <p>Conversion of token program complete.</p>	<p>Procurement documents and financial records</p> <p>Bridge and facilities external inspection and assessment reports</p> <p>Certificate of completion by toll system integrator</p> <p>Token conversion program final report</p> <p>Procurement documents and financial records</p>
<p><b>RISKS</b></p> <p>Funding availability for FBCL to realize infrastructure projects and program development.</p> <p>Approval and funding by joint owner at Seaway International Bridge, GLS, to enable rocker arm and suspender cable replacement.</p> <p>Acceptance of the Smart Corridor concept by external partners.</p> <p>Successful implementation of the Toll Collection System with a sufficient access or interface to operational data.</p> <p>Stable resourcing and advancement of processing capacity of border agencies post-pandemic.</p> <p>Timing and acceptance by community of Akwesasne of referendum on Settlement Agreement with the Crown necessary for funding allocation and relocation of administration and toll facilities.</p>				

## Area: Adaptable Scalability

Objectives	Strategies	Key Initiatives	Results & Targets	Source Data
<p>Prioritize Risk Management</p> <p>Optimize Business Operations</p> <p>Enhance Value Proposition</p>	<p>Prioritize major capital projects &amp; proactive maintenance</p> <p>Expand environmental stewardship and resiliency</p> <p>Fortify partner and stakeholder relationships</p> <p>Broaden digital transformation</p>	<p>Advance critical works for funding support and align with bi-national partners</p> <p>Develop Environmental, Social Governance framework</p> <p>Define carbon footprint</p> <p>Work with border agencies to improve traffic throughput</p> <p>Increase efficiency and results in development of workflows and tools</p> <p>Enhance cybersecurity resilience</p> <p>Capitalize on strategic land exchanges</p> <p>If funded:</p> <ul style="list-style-type: none"> <li>Blue Water Bridge Master Plan Traffic Plaza</li> </ul>	<p>Independent bridge inspections per location:</p> <ul style="list-style-type: none"> <li>Priority repairs identified ≤ 5 elements at SSM, BWB; Seaway and TIB</li> <li>Repairs completed within timeframe specified by inspections = 100%</li> <li>Regular maintenance achievement rate: <ul style="list-style-type: none"> <li>2022-23 ≥ 50%</li> <li>2023-24 ≥ 65%</li> <li>2024-25 and beyond ≥ 80%</li> </ul> </li> </ul> <p>ESG reporting framework established and carbon footprint benchmarked</p> <p>CBSA eGate and Secure Corridor established at Blue Water Bridge</p> <p>Cybersecurity</p> <ul style="list-style-type: none"> <li>External breaches = 0</li> <li>Internal data privacy event = 0</li> </ul> <p>Technology</p> <ul style="list-style-type: none"> <li>Uptime ≥ 99.4%</li> <li>Network intrusions or attacks = 0</li> <li>System power backup failures = 0</li> </ul> <p>Major projects completed on time and on budget.</p>	<p>Annual bridge inspection reports</p> <p>Operational and partner maintenance reporting</p> <p>Board of Directors approval of ESG framework.</p> <p>CBSA confirmation of project implementation</p> <p>Information technology reporting</p> <p>Procurement documents and financial records</p>
<p><b>RISKS</b></p> <p>Secure funding for critical works and for Blue Water Bridge Master Plan Traffic Plaza.</p> <p>Continuity in defense of information technology infrastructure and systems from growing cybersecurity threats.</p> <p>Resources allocation and deployment timeline of border agencies for throughput enhancing projects.</p>				

## Area: Financial Sustainability

Objectives	Strategies	Key Initiatives	Results & Targets	Source Data
<p>Diversify Revenue and Grow</p> <p>Control Robust Financial Operations</p> <p>Solidify Capital and Debt Plans</p> <p>SIBC Business Model Resolution</p>	<p>Expand commercial revenue</p> <p>Broaden dynamic approach to tolling</p> <p>Restore capital fund and reduce debt with targeted Crown support</p> <p>Complete partnership renewal agreement in Cornwall</p> <p>Finalize Settlement Agreement with Government of Canada and Mohawk Council of Akwesasne</p>	<p>Lease remaining available space</p> <p>Expand alternate payment options</p> <p>Optimize toll rates</p> <p>Continue engagement with Transport Canada for:</p> <ul style="list-style-type: none"> <li>• long-term solution for governance of Seaway International Bridge; and,</li> <li>• final steps for Settlement Agreement realization.</li> </ul> <p>Review employee benefit program</p> <p>If funded:</p> <ul style="list-style-type: none"> <li>• Expand commercial leasing traveler amenities at Blue Water Bridge</li> </ul>	<p>Credit rating = A+</p> <p>Tolls &gt; \$29M</p> <p>Lease vacancy rate ≤ 6%</p> <p>Uncompensated space provided to CBSA and CFIA = 145,000 sq. feet</p> <p>Debt coverage &gt; 5.8</p> <p>Operating self-sufficiency &gt; 0.8</p> <p>Seaway International Bridge:</p> <ul style="list-style-type: none"> <li>• Revised agreement in effect for governance and funding</li> <li>• Settlement Agreement finalized</li> </ul> <p>Major projects completed on time and on budget</p>	<p>Standard &amp; Poor's Annual Assessment</p> <p>Annual Audited Consolidated Financial Statements</p> <p>Annual lease report</p> <p>Corporate agreements executed</p> <p>Employee benefit arrangements</p> <p>Procurement documents and financial records</p>
<p><b>RISKS</b></p> <p>Border restrictions and limitations to traffic.</p> <p>Funding availability for FBCL to realize infrastructure projects.</p> <p>Timing and acceptance by community of Akwesasne of referendum on Settlement Agreement with the Crown.</p> <p>Partner engagement in discussions and funding solution for partnership renewal agreement in Cornwall.</p> <p>Union and non-represented employee engagement and flexibility in reviewing options for benefit program.</p>				

## Area: Nurture Excellence in People

Objectives	Strategies	Key Initiatives	Results & Targets	Source Data
Support Employee Development and Diversity Deepen Labour Goodwill and Corporate Citizenship Maintain Community Engagement Opportunities	Develop employee-focused user experience framework Maximize industry exchange of management practices Augment employee engagement and corporate strategic knowledge	Align development plans to succession plan Maintain stable rates of retention Secure new collective agreement (2023-24) Support opportunities for cross-portfolio skills and practices exchanges Leverage and automate HR system capabilities Engage in Community ConneXion activities	Engagement $\geq 80\%$ Turnover rate (FTE) $\leq 15\%$ Time-loss injury ratio $\leq 2.5$ Diversity <ul style="list-style-type: none"> <li>Designated groups <math>\geq 65\%</math></li> <li>Leadership positions occupied by women <math>\geq 40\%</math></li> <li>Bilingual employees <math>\geq 20\%</math></li> <li>Gender diversity variance <math>\leq 10\%</math></li> <li>Indigenous <math>\geq 10\%</math></li> <li>Visible minorities <math>\geq 8\%</math></li> </ul> Community ConneXion participation $\geq 100$ hours.	Annual employee survey HR reporting Employee self-identification
<b>RISKS</b> Attracting and retaining qualified workforce in a competitive labour market. Rising cost of living putting upward pressure on wages at a time of corporate financial uncertainty.				



# 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.



May 18, 2022

Natalie Kinloch,  
Chief Executive Officer  
The Federal Bridge Corporation Limited

Date

# Chief Financial Officer 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, with the following observations, including, deferral of certain capital and operational spending due to some requested appropriations not approved.
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

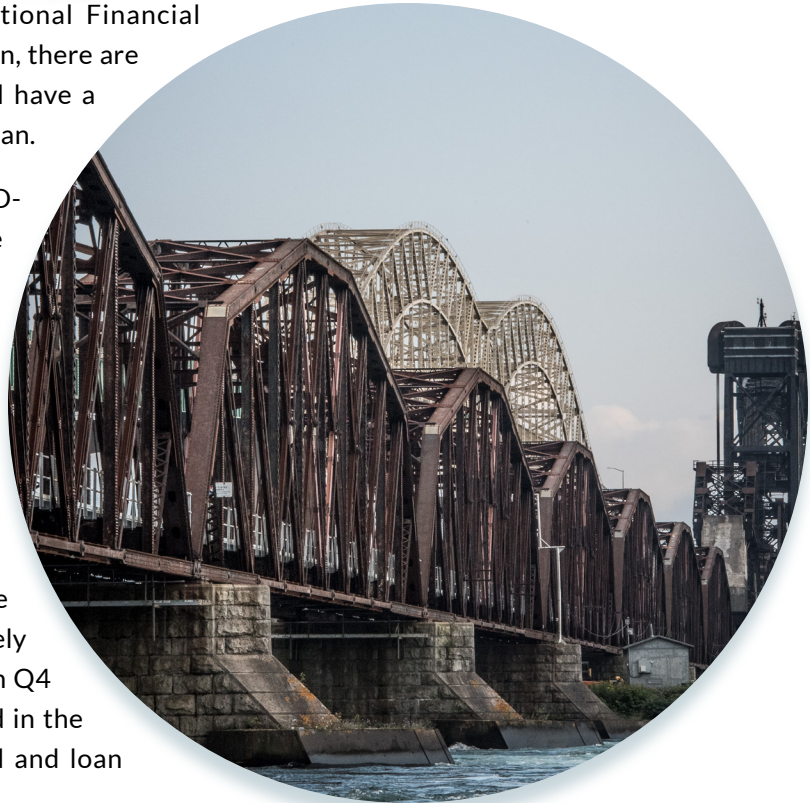
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May 18, 2022

\_\_\_\_\_  
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.

**2021-22 Forecast:** FBCL's second full year of COVID-19 induced border restrictions has completed the depletion of FBCL's fiscal reserves. The ever-changing environment related to border restrictions, which have been changing week to week as late as December 2021, has introduced significant variability in revenue projections. The financial results presented herein are management's best estimates and actual results may differ from forecasted results. FBCL's cash position has been reduced from a very healthy position just before the pandemic to showing a balance that is almost exclusively new debt, in the form of a \$10.0M loan withdrawn in Q4 of 2021-22 that will be fully and exclusively utilized in the 2022-23 fiscal year simply to make required bond and loan payments.



**Budget Outlook:** The financial outlook for the coming 5-year plan has been dramatically affected by recently ever-changing border restrictions, put in place by federal governments meant to curb the spread of COVID-19 variants. Many varying and significant planning assumptions have been built into the plan presented here, and these are always subject to change, should governments decide to impose further restrictions or reduce existing restrictions.

## 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:

For more than two fiscal years, traffic volumes have been significantly weakened. Not only has this affected paying passenger volumes, but also commercial volumes at two of the four international bridges. Contrary to its previous Corporate Plan, FBCL is no longer forecasting a return to any normal level of cross-border traffic in the 2022-23 fiscal year. While improvements over the current levels witnessed in 2021-22 are forecasted, FBCL is now budgeting for more than 24 months of some level of depressed traffic volumes extending for all of fiscal 2022-23, 2023-24, and into 2024-25.



## CHANGES RESULTING FROM COMPETITION:

- Gordie Howe International Bridge – it is expected that the new bridge will come into operation in the 2024-25 fiscal year. Furthermore, the Blue Water Bridge expects to see a reduction in traffic due to this, in the amount of 2% for passenger vehicles and 4% for commercial vehicles (as compared to what would be expected in a normal pre-COVID year).
- 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 neighboring bridge operations in FBCL's portfolio.

## ECONOMY:

Global supply chain issues, exacerbated in certain areas of North America are having positive and negative effects on FBCL. In a positive light, certain FBCL crossings have seen increased commercial traffic, slightly above seasonal norms. However, these are expected to normalize in the near future whether due to a slowing of the volume of overall goods or due to the Jan. 15, 2022, requirement for all individuals crossing the border to be fully vaccinated, as opposed to the first two years of the pandemic where essential workers (including commercial truck drivers) did not have this requirement. On the other hand, the pent-up demand for goods, combined with no feasible outlet for travel resulting in an accumulation of cash, the inflation and escalation rates of expenses has risen significantly. This pent-up demand is not expected to normalize itself in the near future and the cost of items and projects is expected to be significant.

## 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 US 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 2022-23 and 2023-24, followed by more normal 2% thereafter. Employee wage and salary increases, where known, have been incorporated into the annual expense values.

## ESCALATION:

This is a new term introduced to FBCL Corporate Plan documentation and 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, however 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, an expectation of 15% annual escalation rates are forecasted in this plan.

## EXCHANGE RATES:

2022-23 & onwards                      1 CDN \$ = 0.80 US \$      1 US \$ = 1.25 CDN \$

## INTEREST RATES:

Based on forecasts the following interest rates have been used:

Short term (under one year)	1.0%
One year rate	1.5%
Long term average (over one year)	1.75%

## Financial Position

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31 (in thousands of dollars)	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
<b>ASSETS</b>								
Current Assets								
Cash and cash equivalents	5,020	7,286	5,345	5,999	3,840	4,714	2,057	3,201
Investments	248	8,249	3,000	-	-	-	-	-
Trade and other receivables	1,495	1,580	1,200	500	500	500	500	500
Prepays	2,834	1,303	1,220	1,220	1,300	1,380	1,475	1,575
<b>TOTAL CURRENT ASSETS</b>	<b>9,597</b>	<b>18,418</b>	<b>10,765</b>	<b>7,719</b>	<b>5,640</b>	<b>6,594</b>	<b>4,032</b>	<b>5,276</b>
Non-current Assets								
Capitalized assets	378,360	367,034	368,578	354,232	341,825	341,199	325,728	308,580
Lessor Inducement	193	182	177	163	144	129	114	99
Investments	-	-	-	-	-	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>378,553</b>	<b>367,216</b>	<b>368,755</b>	<b>354,395</b>	<b>341,969</b>	<b>341,328</b>	<b>325,842</b>	<b>308,679</b>
<b>TOTAL ASSETS</b>	<b>388,150</b>	<b>385,634</b>	<b>379,520</b>	<b>362,114</b>	<b>347,609</b>	<b>347,922</b>	<b>329,874</b>	<b>313,955</b>
<b>LIABILITIES</b>								
Current liabilities								
Trade and other payables	2,065	5,212	3,000	3,000	3,000	4,000	4,000	4,000
Employee benefits	1,131	1,199	1,136	1,204	1,209	1,165	1,171	1,178
Provisions	-	-	-	-	-	-	-	-
Holdbacks	337	380	50	50	277	500	200	200
Deferred revenue	2,462	2,493	2,617	2,542	3,107	3,353	3,461	3,647
Capitalized leases	189	221	220	231	238	244	203	-
Loans payable	2,542	400	335	400	400	400	400	400
Bonds payable	5,914	6,312	6,312	6,737	7,191	7,675	8,192	4,301
Deferred funding	5,845	3,444	3,677	3,708	3,763	4,540	4,588	4,372
<b>TOTAL CURRENT LIABILITIES</b>	<b>20,485</b>	<b>19,661</b>	<b>17,347</b>	<b>17,872</b>	<b>19,185</b>	<b>21,877</b>	<b>22,215</b>	<b>18,098</b>
Non-current Liabilities								
Capitalized leases	1,119	899	881	685	448	203	-	-
Loans payable	-	9,567	9,499	9,167	8,767	8,367	7,967	7,567
Bonds payable	40,406	34,095	34,095	27,358	20,168	12,493	4,301	-
Employee benefits	8,380	8,811	8,380	8,811	8,811	9,511	10,261	11,061
Deferred revenue	1,214	1,063	1,063	912	761	610	459	308
Deferred funding	97,025	93,972	96,349	95,147	97,160	109,344	104,578	100,027
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>148,144</b>	<b>148,407</b>	<b>150,267</b>	<b>142,080</b>	<b>136,115</b>	<b>140,528</b>	<b>127,566</b>	<b>118,963</b>
<b>TOTAL LIABILITIES</b>	<b>168,629</b>	<b>168,068</b>	<b>167,614</b>	<b>159,952</b>	<b>155,300</b>	<b>162,405</b>	<b>149,781</b>	<b>137,061</b>
<b>EQUITY</b>								
Retained earnings	219,529	217,574	211,914	202,170	192,317	185,525	180,101	176,902
Accumulated other comprehensive income	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
<b>TOTAL EQUITY</b>	<b>219,521</b>	<b>217,566</b>	<b>211,906</b>	<b>202,162</b>	<b>192,309</b>	<b>185,517</b>	<b>180,093</b>	<b>176,894</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>388,150</b>	<b>385,634</b>	<b>379,520</b>	<b>362,114</b>	<b>347,609</b>	<b>347,922</b>	<b>329,874</b>	<b>313,955</b>

## Income

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ending March 31 (in thousands of dollars)	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
<b>REVENUES</b>								
Tolls and services	20,542	25,048	23,133	25,863	30,393	33,336	33,869	35,973
Leases and permits	1,378	1,871	1,554	2,082	2,168	2,311	2,493	2,715
International Thousand Islands Bridge revenue	3,671	4,482	4,109	3,938	6,250	6,250	6,875	6,875
Interest	313	43	97	99	99	95	95	96
Other	1,336	212	63	65	88	90	92	93
<b>TOTAL REVENUE</b>	<b>27,240</b>	<b>31,656</b>	<b>28,956</b>	<b>32,047</b>	<b>38,998</b>	<b>42,082</b>	<b>43,424</b>	<b>45,752</b>
<b>EXPENSES</b>								
Operations	5,427	5,012	5,915	5,937	7,256	7,152	7,118	7,256
Thousand Islands International Bridge expenses	3,838	4,049	4,976	5,037	5,477	5,448	5,584	5,724
Maintenance	6,656	5,117	6,654	6,715	7,212	7,565	7,911	7,908
CBSA & CFIA operations	3,636	3,425	4,115	4,245	4,371	4,485	4,581	4,671
Administration	6,636	6,697	7,022	7,293	7,769	7,895	7,865	8,019
Additional funding of SIBC operations	1,169	834	917	-	-	-	-	-
Depreciation	18,144	20,067	18,124	20,008	19,589	19,258	18,967	18,979
<b>TOTAL EXPENSES</b>	<b>45,506</b>	<b>45,201</b>	<b>47,723</b>	<b>49,235</b>	<b>51,675</b>	<b>51,803</b>	<b>52,026</b>	<b>52,557</b>
<b>OPERATING INCOME BEFORE GOVERNMENT FUNDING</b>	<b>(18,266)</b>	<b>(13,545)</b>	<b>(18,767)</b>	<b>(17,188)</b>	<b>(12,677)</b>	<b>(9,721)</b>	<b>(8,602)</b>	<b>(6,805)</b>
<b>GOVERNMENT FUNDING</b>								
<b>TOTAL GOVERNMENT FUNDING</b>	<b>7,400</b>	<b>14,598</b>	<b>14,285</b>	<b>4,568</b>	<b>5,135</b>	<b>4,782</b>	<b>4,540</b>	<b>4,589</b>
<b>NON-OPERATING ITEMS</b>								
Interest expense	(3,428)	(2,998)	(3,133)	(2,784)	(2,311)	(1,853)	(1,362)	(983)
<b>TOTAL NON-OPERATING ITEMS</b>	<b>(3,428)</b>	<b>(2,998)</b>	<b>(3,133)</b>	<b>(2,840)</b>	<b>(2,311)</b>	<b>(1,853)</b>	<b>(1,362)</b>	<b>(983)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(14,294)</b>	<b>(1,945)</b>	<b>(7,615)</b>	<b>(15,404)</b>	<b>(9,853)</b>	<b>(6,792)</b>	<b>(5,424)</b>	<b>(3,199)</b>



## GOVERNMENT FUNDING

for the year ending March 31

(in thousands of dollars)

	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
<b>Appropriations from Government of Canada</b>								
<b>Vote 1 - Payments to the corporation</b>								
Funding not available	(3,528)	-	-	-	-	-	-	-
Total Vote 1 - Payments to the Federal Bridge Corporation Limited	6,876	-	-	5,303	7,381	17,923	-	-
Transfers to The Federal Bridge Corporation Limited	340	-	-	-	-	-	-	-
<i>Total New Funding</i>	3,688	-	-	5,303	7,381	17,923	-	-
Approved Funding	2,556	18,497	18,497	-	-	-	-	-
Funding not available	-	(9,347)	(7,167)	-	-	-	-	-
Lapsed Funding	(209)	-	-	-	-	-	-	-
<i>Total Funding Accessed</i>	2,347	9,150	11,330	-	-	-	-	-
<b>Grand Total</b>	<b>6,035</b>	<b>9,150</b>	<b>11,330</b>	<b>5,303</b>	<b>7,381</b>	<b>17,923</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of government funding</b>								
Total funding in current year	6,035	9,150	11,330	5,303	7,381	17,923	-	-
Amortization of Deferred Government Funding	3,503	6,304	5,545	3,688	3,708	3,763	4,540	4,589
Government funding deferred to future years	(2,140)	(400)	(2,590)	(4,423)	(5,954)	(16,904)	-	-
<b>Total amount recognized in Statement of Operations</b>	<b>7,398</b>	<b>15,054</b>	<b>14,285</b>	<b>4,568</b>	<b>5,135</b>	<b>4,782</b>	<b>4,540</b>	<b>4,589</b>
<b>Balance of Deferred Government Funding</b>								
Balance - start of year	104,235	102,870	102,870	96,966	97,701	99,947	113,088	108,548
Government funding recognized in year	2,138	400	2,590	4,423	5,954	16,904	-	-
Amortization of deferred government funding	(3,503)	(6,304)	(5,545)	(3,688)	(3,708)	(3,763)	(4,540)	(4,589)
<b>Balance - end of year</b>	<b>102,870</b>	<b>96,966</b>	<b>99,915</b>	<b>97,701</b>	<b>99,947</b>	<b>113,088</b>	<b>108,548</b>	<b>103,959</b>

## Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS								
for the year ending March 31				Budget				
(in thousands of dollars)								
	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net Income	(14,294)	(1,945)	(7,615)	(15,404)	(9,853)	(6,792)	(5,424)	(3,199)
Adjustments for:								
Amortization of deferred funding	(1,408)	(6,304)	(5,545)	(3,777)	(3,886)	(3,941)	(4,718)	(4,767)
Depreciation of capitalized assets	18,144	20,067	18,124	20,008	19,589	19,258	18,967	18,979
Change in employee benefits	262	499	5	5	5	656	756	807
Loss on disposal of assets	(26)	-	-	-	-	-	-	-
Changes in working capital:								
(Increase) decrease in trade and other receivables	(548)	(85)	295	1,080	-	-	-	-
(Increase) decrease in prepaids	(2,488)	1,531	1,614	83	(80)	(80)	(95)	(100)
Increase (decrease) in trade and other payables	(1,141)	3,147	936	(2,212)	-	1,000	-	-
Increase (decrease) in holdbacks	249	43	(287)	(330)	227	223	(300)	-
Increase (decrease) in provisions	-	-	-	-	-	-	-	-
Increase (decrease) in deferred revenue	(166)	(120)	4	(102)	414	95	(43)	35
Increase (decrease) in lease inducements	11	11	16	19	19	15	15	15
<b>Net cash generated (spent) by operating activities</b>	<b>(1,405)</b>	<b>16,844</b>	<b>7,547</b>	<b>(630)</b>	<b>6,435</b>	<b>10,434</b>	<b>9,158</b>	<b>11,770</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Payments for property and equipment (government funded)	(43)	(400)	(2,590)	(4,423)	(5,954)	(16,904)	-	-
Payments for property and equipment (FBCL funded)	(13,728)	(8,341)	(5,752)	(2,783)	(1,228)	(1,730)	(3,496)	(1,831)
Funding related to acquisition of property and equipment received	43	850	2,701	5,216	5,954	16,904	-	-
Proceeds on sale (purchase) of investments	19,040	(8,011)	(2,752)	8,249	-	-	-	-
<b>Net cash generated (spent) on investing activities</b>	<b>5,312</b>	<b>(15,902)</b>	<b>(8,393)</b>	<b>(6,259)</b>	<b>(1,228)</b>	<b>(1,730)</b>	<b>(3,496)</b>	<b>(1,831)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Proceeds (Repayment) of bonds payable	(5,539)	(5,913)	(5,914)	(6,312)	(6,736)	(7,191)	(7,675)	(8,192)
Proceeds (Repayment) of loans payable	(533)	7,425	7,292	(400)	(400)	(400)	(400)	(400)
Proceeds (Repayment) of lease liability	(197)	(188)	(207)	(204)	(230)	(239)	(244)	(203)
<b>Net cash generated (spent) on financing activities</b>	<b>(6,269)</b>	<b>1,324</b>	<b>1,171</b>	<b>(6,916)</b>	<b>(7,366)</b>	<b>(7,830)</b>	<b>(8,319)</b>	<b>(8,795)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,362)</b>	<b>2,266</b>	<b>325</b>	<b>(1,287)</b>	<b>(2,159)</b>	<b>874</b>	<b>(2,657)</b>	<b>1,144</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>7,382</b>	<b>5,020</b>	<b>5,020</b>	<b>7,286</b>	<b>5,999</b>	<b>3,840</b>	<b>4,714</b>	<b>2,057</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>5,020</b>	<b>7,286</b>	<b>5,345</b>	<b>5,999</b>	<b>3,840</b>	<b>4,714</b>	<b>2,057</b>	<b>3,201</b>

## Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
for the year ending March 31 (in thousands of dollars)	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
<b>BALANCE, BEGINNING OF YEAR</b>	<b>235,076</b>	219,521	219,521	217,566	202,162	192,309	185,517	180,093
Net income / (loss)	(14,294)	(1,945)	(7,615)	(15,404)	(9,853)	(6,792)	(5,424)	(3,199)
Actuarial gains / (losses)	(702)	-	-	-	-	-	-	-
Investments (AOCI)	(559)	(10)	-	-	-	-	-	-
<b>BALANCE, END OF YEAR</b>	<b>219,521</b>	217,566	211,906	202,162	192,309	185,517	180,093	176,894
<b>Made up of:</b>								
- Retained earnings	234,525	217,574	217,130	202,170	192,317	185,525	180,101	176,902
- Accumulated OCI	551	(8)	551	(8)	(8)	(8)	(8)	(8)

## Operating and Capital Budgets

OPERATING BUDGET								
for the year ending March 31 (in thousands of dollars) (presented on a cash basis)	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
<b>FUNDING</b>								
Tolls	20,542	25,048	23,133	25,863	30,393	33,336	33,869	35,973
Leases and permits	1,378	1,871	1,554	2,082	2,168	2,311	2,493	2,715
International Thousand Islands Bridge operating revenues	3,671	4,482	4,109	3,938	6,250	6,250	6,875	6,875
Interest	313	43	97	99	99	95	95	96
Other	1,336	212	63	65	88	90	92	93
Federal government appropriations	3,897	8,294	8,740	880	1,427	1,019	-	-
<b>TOTAL FUNDING</b>	<b>31,137</b>	<b>39,950</b>	<b>37,696</b>	<b>32,927</b>	<b>40,425</b>	<b>43,101</b>	<b>43,424</b>	<b>45,752</b>
<b>EXPENSES</b>								
Operations	5,427	5,012	5,915	5,937	7,256	7,152	7,118	7,256
Thousand Islands International Bridge expenses	3,838	4,049	4,976	5,037	5,477	5,448	5,584	5,724
Maintenance	6,656	5,117	6,654	6,715	7,212	7,565	7,911	7,908
CBSA & CFIA operations	3,636	3,425	4,115	4,245	4,371	4,485	4,581	4,671
Administration	6,636	6,697	7,022	7,293	7,769	7,895	7,865	8,019
Additional funding of SIBC operations	1,169	834	917	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>27,362</b>	<b>25,134</b>	<b>29,599</b>	<b>29,227</b>	<b>32,086</b>	<b>32,545</b>	<b>33,059</b>	<b>33,578</b>
<b>EXCESS OF FUNDING OVER EXPENDITURES</b>	<b>3,775</b>	<b>14,816</b>	<b>8,097</b>	<b>3,700</b>	<b>8,339</b>	<b>10,556</b>	<b>10,365</b>	<b>12,174</b>



## CAPITAL BUDGET

for the year ending March 31

(in thousands of dollars)  
(presented on a cash basis)

### FBCL AVAILABLE FUNDING

	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
Internal funds available	12,921	8,341	5,752	2,958	1,228	1,730	3,496	1,831
<b>TOTAL FBCL FUNDING</b>	<b>12,921</b>	<b>8,341</b>	<b>5,752</b>	<b>2,958</b>	<b>1,228</b>	<b>1,730</b>	<b>3,496</b>	<b>1,831</b>

### EXPENDITURES

#### FBCL funded:

Blue Water bridge paving, repairs, painting	415	22	15	-	-	-	-	-
Blue Water Equipment and Electronic Systems	7,124	5,106	3,993	1,380	95	860	740	680
Blue Water Plaza design improvements and rehabilitation	3,179	697	509	70	15	300	350	275
Cornwall bridge repairs	650	860	276	-	391	-	773	204
Sault Ste Marie Electronic Systems	382	632	44	793	-	-	-	-
Lansdowne Toll Upgrade & Electronic Systems	613	112	97	-	-	-	-	-
Lansdowne Canadian Bridge and Plaza repairs	241	-	52	50	50	-	1,100	-
Property acquisitions	26	-	500	150	500	-	-	-
Other capital projects	291	912	266	515	577	570	533	672
<b>TOTAL FBCL EXPENDITURES</b>	<b>12,921</b>	<b>8,341</b>	<b>5,752</b>	<b>2,958</b>	<b>1,228</b>	<b>1,730</b>	<b>3,496</b>	<b>1,831</b>

#### Funded with appropriations:

Blue Water bridge paving, repairs, painting	-	-	22	-	4,793	7,156	-	-
Blue Water Equipment and Electronic Systems	-	400	1,077	872	-	1,976	-	-
Blue Water Plaza design improvements and rehabilitation	-	-	377	-	-	-	-	-
Cornwall bridge repairs	-	-	675	409	271	493	-	-
Sault Ste Marie maintenance projects	-	-	-	3,100	-	-	-	-
Sault Ste Marie Electronic Systems	-	-	226	-	-	-	-	-
Lansdowne Canadian Bridge repairs	-	-	53	-	756	7,118	-	-
Other capital projects	43	-	160	42	134	161	-	-
<b>TOTAL APPROPRIATION FUNDING</b>	<b>43</b>	<b>400</b>	<b>2,590</b>	<b>4,423</b>	<b>5,954</b>	<b>16,904</b>	<b>-</b>	<b>-</b>

### TOTAL CAPITAL EXPENDITURES

### (SHORTFALL) OF FUNDING OVER EXPENDITURES

Appropriations:

New appropriations approved	-	-	-	4,423	5,954	16,904	-	-
Approved capital appropriations funded	43	400	2,590	-	-	-	-	-
<b>Total appropriations</b>	<b>43</b>	<b>400</b>	<b>2,590</b>	<b>4,423</b>	<b>5,954</b>	<b>16,904</b>	<b>-</b>	<b>-</b>
<b>EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### FBCL Proposal to Transport Canada

#### FUNDING & CAPITAL EXPENDITURES

Cornwall Port Of Entry enhancement for CBSA and new FBCL facilities for bridge operations <sup>(1) (2)</sup>	-	-	-	-	-	23,870	-	-
Blue Water Bridge redevelopment <sup>(3)</sup>	-	-	-	6,400	11,780	63,840	77,430	31,730
Sault Ste Marie commercial traffic flow enhancement <sup>(3)</sup>	-	-	-	-	2,000	2,750	-	-
Thousand Islands redevelopment <sup>(3)</sup>	-	-	-	-	8,240	17,410	-	-
<b>TOTAL FUNDING &amp; CAPITAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,400</b>	<b>22,020</b>	<b>107,870</b>	<b>77,430</b>	<b>31,730</b>

(1) GBCF funding proposal to Transport Canada for consideration as part of proposed Seaway land claim settlement agreement. 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 to fund the portion of major capital projects that the legacy corporations could not cover by available funding at the time. Pursuant to Section 127(3) of the *Financial Administration Act*, 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, 2022, the Corporation has three types of outstanding financing arrangements:

- Bonds for Blue Water Bridge capital redevelopment in June 2002: \$40.4M principal balance remaining outstanding at March 31, 2022, 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.
- Loan for operating and capital requirements at FBCL, as part of a \$10M non-revolving term facility on a fixed rate, non-current basis with periodic payments of interest and principal, 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. As at March 31, 2022, FBCL has now fully drawn this facility in the 2021-22 fiscal year.
- 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. At March 31, 2022, the remaining principal is \$1.1M.



## New Borrowing

FBCL does not plan to enter into any new loan or debt arrangements, other than the \$10M authorized in December 2020, that has now been fully drawn in 2021-22. 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 *Financial Administration Act* and the associated *Crown Corporation General Regulations, 1995*.

OUTSTANDING BORROWINGS								
for the year ending March 31 (in thousands of dollars)	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
<b>LONG-TERM BORROWINGS:</b>								
<b>CURRENT PORTION</b>								
Capitalized leases	189	221	220	231	238	244	203	-
Loans payable	2,542	400	335	400	400	400	400	400
Bonds payable	5,914	6,312	6,312	6,737	7,191	7,675	8,192	4,301
<b>TOTAL CURRENT PORTION OF BORROWINGS</b>	<b>8,645</b>	<b>6,933</b>	<b>6,867</b>	<b>7,368</b>	<b>7,829</b>	<b>8,319</b>	<b>8,795</b>	<b>4,701</b>
<b>NON-CURRENT PORTION</b>								
Capitalized leases	1,119	899	881	685	448	203	-	-
Loans payable	-	9,567	9,499	9,167	8,767	8,367	7,967	7,567
Bonds payable	40,406	34,095	34,095	27,358	20,168	12,493	4,301	-
<b>TOTAL NON-CURRENT PORTION OF BORROWINGS</b>	<b>41,525</b>	<b>44,561</b>	<b>44,475</b>	<b>37,210</b>	<b>29,383</b>	<b>21,063</b>	<b>12,268</b>	<b>7,567</b>
<b>TOTAL BORROWINGS</b>	<b>50,170</b>	<b>51,494</b>	<b>51,342</b>	<b>44,578</b>	<b>37,212</b>	<b>29,382</b>	<b>21,063</b>	<b>12,268</b>

PEAK BORROWINGS								
for the year ending March 31 (in thousands of dollars)	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
Capitalized leases	1,505	1,308	1,290	1,120	916	686	447	203
Loans payable	3,075	10,000	12,943	9,967	9,567	9,167	8,767	8,367
Bonds payable	51,860	46,320	46,321	40,407	34,095	27,359	20,168	12,493
<b>PEAK BORROWINGS</b>	<b>56,440</b>	<b>57,628</b>	<b>60,554</b>	<b>51,494</b>	<b>44,578</b>	<b>37,212</b>	<b>29,382</b>	<b>21,063</b>

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



## LONG-TERM BORROWING CONTINUITY

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

	Actual 2020-21	Forecast 2021-22	Main Budget 2021-22	Budget				
				2022-23	2023-24	2024-25	2025-26	2026-27
<b>Capitalized leases</b>								
Opening balance	1,505	1,308	1,308	1,120	916	686	447	203
IFRS assumption of existing lease	-	-	-	-	-	-	-	-
Maturities	(197)	(188)	(207)	(204)	(230)	(239)	(244)	(203)
New issuances	-	-	-	-	-	-	-	-
<b>TOTAL CAPITALIZED LEASES</b>	<b>1,308</b>	<b>1,120</b>	<b>1,101</b>	<b>916</b>	<b>686</b>	<b>447</b>	<b>203</b>	<b>-</b>
<b>Loans payable</b>								
Opening balance	3,075	2,542	2,542	9,967	9,567	9,167	8,767	8,367
Maturities	(533)	(2,575)	(2,708)	(400)	(400)	(400)	(400)	(400)
New issuances	(534)	10,000	10,000	-	-	-	-	-
<b>TOTAL LOANS PAYABLE</b>	<b>2,542</b>	<b>9,967</b>	<b>9,834</b>	<b>9,567</b>	<b>9,167</b>	<b>8,767</b>	<b>8,367</b>	<b>7,967</b>
<b>Bonds payable</b>								
Opening balance	51,860	46,320	46,321	40,407	34,095	27,359	20,168	12,493
Maturities	(5,540)	(5,913)	(5,914)	(6,312)	(6,736)	(7,191)	(7,675)	(8,192)
New issuances	-	-	-	-	-	-	-	-
<b>TOTAL BONDS PAYABLE</b>	<b>46,320</b>	<b>40,407</b>	<b>40,407</b>	<b>34,095</b>	<b>27,359</b>	<b>20,168</b>	<b>12,493</b>	<b>4,301</b>
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>50,170</b>	<b>51,494</b>	<b>51,342</b>	<b>44,578</b>	<b>37,212</b>	<b>29,382</b>	<b>21,063</b>	<b>12,268</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 considers risk management to be a shared responsibility. Accordingly, members of the Board of Directors, its committees, the Chief Executive Officer, and all employees are accountable for managing risk within their area of responsibility. Risk management policies ensure a consistent, comprehensive and enterprise-wide risk management approach that is integrated into planning, decision-making and operational processes.

The Board is accountable with the Chief Executive Officer for the overall stewardship of the Corporation. The Board sets the strategic direction and:

- Provides direction on risk management, including risk tolerance;
- Provides corporate leadership on risk management and responsibility for strategic risks in the Corporate Risk Profile;
- Ensures that the key risks have been identified and that appropriate systems and resources to manage these risks have been put in place;
- Ensures that information systems and management practices meet corporate needs and give the Board confidence in the integrity of information produced; and
- Communicates high residual risks to the Minister of Transport.

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

		LIKELIHOOD What's the chance of the risk occurring?				
		Rare 1	Unlikely 2	Moderate 3	Likely 4	Almost Certain 5
CONSEQUENCE How severe could the outcomes be?	Severe 5	5 Moderate	10 Major	15 High	20 Severe	25 Severe
	High 4	4 Moderate	8 Moderate	12 Major	4 High	20 Severe
	Major 3	3 Low	6 Moderate	9 Moderate	12 Major	3 High
	Moderate 2	2 Low	4 Low	6 Moderate	8 Moderate	10 Major
	Rare 1	1 Low	2 Low	3 Low	4 Moderate	5 Moderate

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

	Risk Description		Mitigations Strategies
Financial Sustainability	Risk that financial instability may occur, due to a significant reduction in revenue generation, unexpected expenditures or mismanagement.	▲↑	<p>Active monitoring of expenditures to budget, prioritization and review of spending.</p> <p>Managing corporate financial sustainability in context of COVID-19 pandemic and SIBC on-going viability;</p> <p>On-going debt management;</p> <p>Full consideration of other revenue opportunities;</p> <p>FBCL continues to work with Transport Canada on developing options to deal with long-term Crown mandated free passage impacting SIBC viability.</p>
Public and Asset Security	Risk that bridge security may be compromised due to intentional acts such as terrorism, protests, vandalism, and criminal activities. Furthermore, such a risk could lead to bridge closures, significant financial liabilities and loss of public confidence.	▲↔	<p>Close monitoring of special interest groups, their communications and media reports;</p> <p>Ongoing monitoring of First Nations issues and port running at SIBC.</p> <p>FBCL's international bridges security plans in place.</p> <p>Maintaining excellent communication protocols between FBCL, bridge operators, partners and local police forces;</p> <p>MOUs with Transport Canada, as per International Bridges and Tunnels Act (IBTA) security measures;</p>
Cybersecurity	Risk that technology security compromises may occur, due to human error, unintentional consequences, equipment failure, natural disasters and deliberate attacks.	■↔	<p>Complete revision of cybersecurity program to be deployed and satisfying most up to date recommendations;</p> <p>Onboarding and training staff members with a special focus on security prevention;</p> <p>System documentation and IT plans provide an appropriate level of quality assurance;</p> <p>Infrastructure design and deployed based on best practices.</p>
Technology	Risk that technology systems may be inadequate, antiquated, poorly designed, and inferior may occur, due to lack of planning, insufficient investment, lack of IT skills and poor business decisions.	■↓	<p>Continuous hardware and software updates as part of a life cycle management program;</p> <p>New toll collection system being deployed to support requirements;</p> <p>Monitor and ensure appropriate testing and release management are maintained;</p> <p>Introduction of a clear change management program;</p> <p>Accesses are audited and managed as per internal control policies;</p>
Organizational	Risk that organizational threats may occur, due to a transition in executive leadership, underlying management and labour performance difficulties.	■↔	<p>Managing corporate financial sustainability in context of COVID-19 pandemic and SIBC on-going viability with partner GLS;</p> <p>Key policies in place including financial delegation, banking, investments, procurement, code of values and ethics, risk management, etc.;</p> <p>Normal staffing procedures in conjunction with succession planning processes will fill voids.</p> <p>FBCL succession plans are in place;</p>

	Risk Description		Mitigations Strategies
Fraud	Risk that fraud and corruption are committed due to intentional act(s) by one or more individual employees that could lead to the loss of public funds or property.	■ ↓	BWB and Cornwall have security cameras in toll booths;  In-depth internal controls for cross-balancing and minimization of cash transactions;  New proposed conflict of interest procedures with additional attestation to the Board.
Public Safety	Risk that compromised public safety instances may occur, due to accidents, incidents, natural disasters or workplace injuries.	■ ↔	Active COVID-19 protocols and policies in all FBCL facilities;  Controlling risks to personnel during COVID-19 pandemic  Emergency Action Plans in place (i.e. fire, medical and other first responders);  Employee Safety training, Health and Safety Coordinator and Committee on staff;  Continuous update of Emergency Action Plans;  Continuous employee training and awareness sessions.
Workforce Management	Risk that workforce management issues may occur, due to labour disruption, insufficient human resources, a lack of skilled employees, the development of a toxic workplace environment and the lack of an appropriate compensation structure.	●	FBCL has contingency plans to maintain the safe and secure operation of the bridge in the event of a labour disruption.
Partnerships / Stakeholders	Risk that actions by partners and stakeholders may occur, due to environmental factors and business decisions.	●	Active engagement strategy with key stakeholders and border partners.
Reputation	Risk that negative public perception of the Corporation may occur, due to the inability to foster a positive and productive relationships with neighbouring communities, stakeholders and the public.	●	Execution of Community ConneXion charitable outreach activities to build positive local engagement;  Active media engagement strategy including regular bridge facilities tours;  Active stakeholder engagement with border partners;
Infrastructure	Risk that compromised bridge safety (asset integrity) instances may occur, due to accidents, incidents, natural disasters or maintenance failures.	●	Detailed maintenance and repair programs are developed for each location based on cyclical inspection reports to ensure appropriate planning, resource allocation and delivery.  Full compliance with bridge inspections requirements.
Environmental, Social, and Governance	Risk that FBCL does not manage matters related to environmental and social sustainability development, including risks related to climate change.	● ↑	Board of Directors and Senior Management Team are drafting first steps in the overall ESG framework.



# 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 ensures that all its 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, particular 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 past year, two Act-related issues were communicated to the Corporation and the organization immediately began working on the successful resolution with the Commissioner of Official Languages.

## *ACCESS TO INFORMATION ACT*

As part of a commitment to clear and transparent governance, FBCL voluntarily reports, through its website, annual summaries of all requests related to the *Access to Information Act* received for itself and its subsidiary. To date in FY2021-22, no requests have been received by the Corporation although one has been submitted to 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 *Financial Administration Act*, 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 voluntarily reports, through its website, annual aggregate corporate expenses related to travel and business development activities as well as the travel and hospitality expenses for the Chief Executive Officer, 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 *Financial Administration Act* that ensures that defined contribution pension plan benefits align with a 50:50 contribution ratio.

## **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 the various trade agreements.

## Other

Additionally, the Corporation supports and complies with the following legislation 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*
- *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*
- *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

As they are defined in the 2021 Speech from the Throne, the Government of Canada's priorities are focused on getting the pandemic under control; grow a more resilient economy; protecting the environment; supporting law enforcement and, continuing to promoting diversity and inclusion including moving faster on the path of Indigenous reconciliation.

Through its operational and policy framework, FBCL supports the Government priorities, which include:

- finishing the fight against COVID-19 and supporting the recovery of a strong middle class;
- taking concrete action to build a healthier, more resilient future through continued collaboration, engagement, and the use of science and evidence-based decision-making;
- working constructively with partnerships including ongoing reconciliation efforts with Indigenous partners.

## FIGHT AGAINST COVID-19

**Mandatory Vaccination** — On October 6, 2021, the Prime Minister announced a mandatory vaccination policy for the federal public service. More specifically, the communication of the policy required FBCL to implement in a coherent and coordinated manner for employees, GIC appointees, tenants and contractors, a policy that aligns with the public service employee vaccination requirements. FBCL has undertaken the establishment and enforcement of a comprehensive vaccination policy in alignment with the Government.

**Canada Emergency Commercial Rent Assistance (CECRA)** — One of the many pandemic related initiatives supported by FBCL were actions in alignment with the CECRA program. FBCL had extended rent relief to eligible small business tenants, in some cases beyond the scope defined by the Government. FBCL has also improved its facilities sanitization to the benefit not only of its customers, tenants and staff but also to spaces used by CBSA and CFIA.

**Economic Trade** — The Government has invested much effort to sustain Canada's economy that includes supporting the integrated North American trade corridors. FBCL staff are front line personnel critical to easing the pain of the pandemic. By facilitating safe, secure international trade and the efficient transit of people and goods, FBCL delivers secure gateways to economic growth and prosperity for all Canadians.

## 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 Blue Water Bridge plaza have benefited from a conception that aimed from the outset for LEED (Leadership in Energy and Environmental Design) certification. This was achieved by the Corporate Centre 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. The next step is to finalize the changing of the bridge infrastructure to LED bulbs followed by changing all building structures to LED bulbs.

Increases in vehicle processing results in shorter idling times and reductions in the production of greenhouse gas emissions. 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. Tentatively there are some projects anticipated at the Blue Water such as Secure Corridor and e-Gates.

In fiscal 2020-21 FBCL conducted an impact study to assess the vulnerability of the Corporations 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 component to improve our assets required at this time however many procedures and maintenance costs will be required.

FBCL is shifting to align with the concept of Environmental, Social and Corporate Governance (ESG), which consists of three areas that measure the ethical, and sustainability performance of a corporation. As a public entity, FBCL has already incorporated many key ESG themes in its strategy, operations and reporting throughout the year although not labelled as such. Currently FBCL is assessing its ESG Framework to identify material ESG factors that present the most significant risks and opportunities over the short, medium, and long terms as well as define strategies to mitigate these risks to an acceptable level.





As per the requirements outlined in Budget 2021, the Corporation will be developing its climate-related financial risk disclosure as established by the Task Force on Climate-related Financial Disclosure (TCFD).

Ideally, funding dependent, FBCL would like to conduct a greenhouse gas inventory level 1 and level 2 studies. This would allow FBCL to track its carbon footprint by identified greenhouse gas emission directly 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.

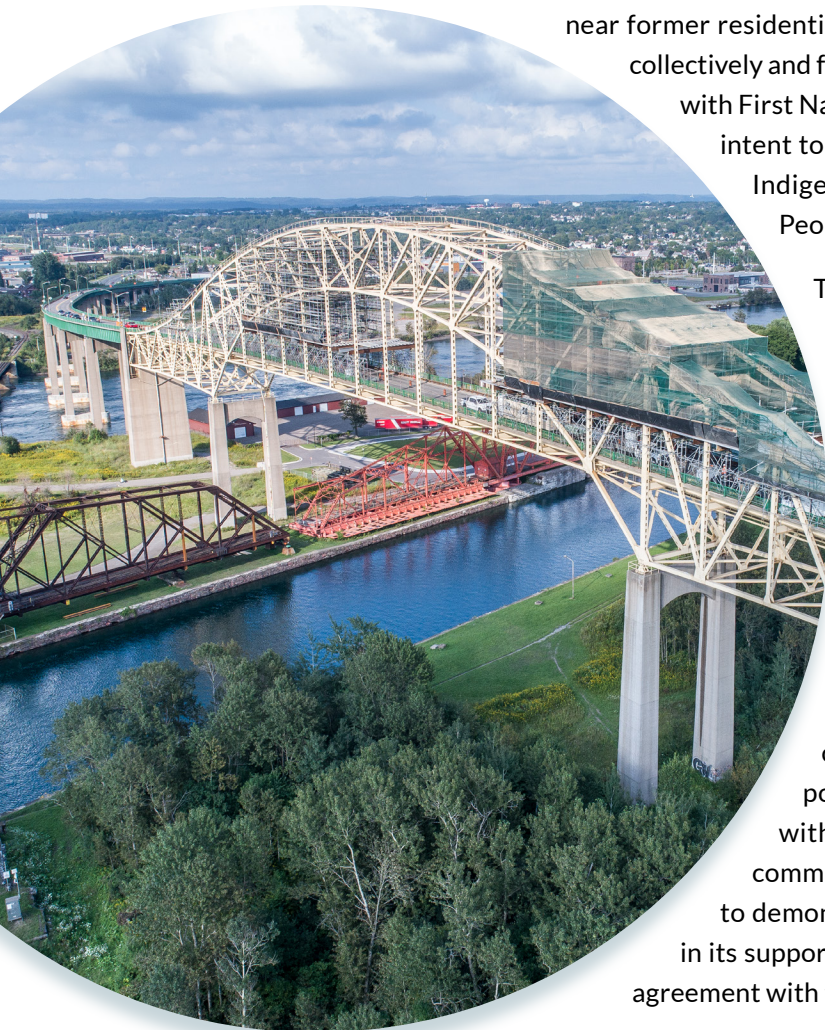
## Indigenous Relationships

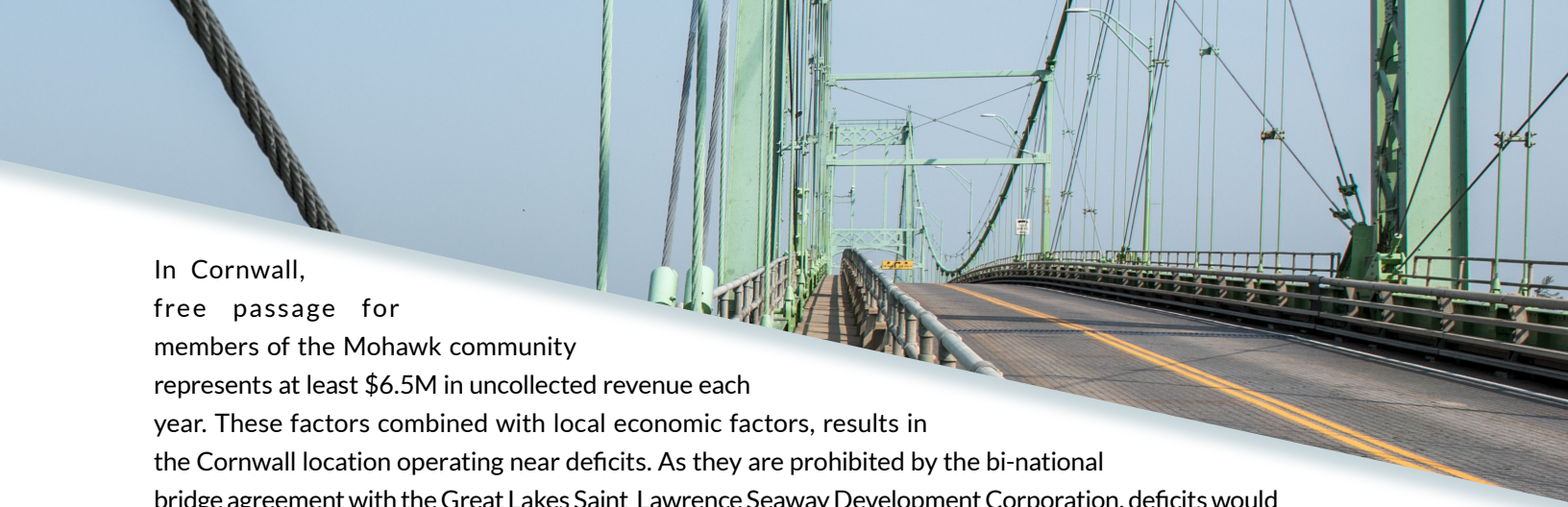
This year, Canadians were horrified by the discovery of unmarked graves and burial sites near former residential schools. The Government has identified its duty to work collectively and for Canadians as individuals to work the path of reconciliation with First Nations, Inuit and Métis Peoples. The government indicated its intent to implement the United Nations Declaration on the Rights of Indigenous Peoples and to work in partnership with Indigenous Peoples to advance their rights.

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 Mohawk Council of Akwesasne regarding its land claims.

FBCL and its SIBC subsidiary maintain dialogue with the Mohawk Council of Akwesasne (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.





In Cornwall, free passage for members of the Mohawk community represents at least \$6.5M in uncollected revenue each year. These factors combined with local economic factors, results in the Cornwall location operating near deficits. As they are prohibited by the bi-national bridge agreement with the Great Lakes Saint Lawrence Seaway Development Corporation, 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. Historically, ignoring COVID-19 impact, in excess of 71% of passenger vehicles and nearly 34% of commercial trucks making the crossing are exempt from tolls. These rates have continued to increase over the past decade. 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 Blue Water Bridge 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. Ongoing dialogue with Aamjiwnaang First Nation leadership on current issues permit a respectful and cohesive relationship.

## Equitable Workforce

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, LGBTQ2 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 (2021)	SIBC (2021)	Federal Public Service (2020)
<b>Board of Directors</b>			
Designated groups	85%	38%	n/a
<b>Location</b>			
Employees in regions	84 %	100 %	58 %
National Capital Region	16 %	0 %	42%
<b>Employment status</b>			
Full-time	84 %	68 %	83 %
Part-time	14 %	32 %	11 %
<b>Gender</b>			
Employee Women	47 %	50 %	55 %
Executive Women	20 %	0 %	50 %
Leadership Women	35 %	33 %	Not currently reported
<b>Official Language</b>			
Indicate English as first language	88%	87 %	71 %
Indicate French as first language	12 %	13 %	29 %
BIPOC	Not currently measured	46 %	Not currently measured

Black, indigenous and people of colour (BIPOC) as measured through self-identification is not currently measured by FBCL. However, this key indicator will be measured moving forward to ensure awareness and focus on creating a racial and ethnically diverse workplace.

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 behavior inconsistent with FBCL's culture is not tolerated. This direction is reinforced by corporate policies concerning behavior 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's operational facilities comply with the accessibility legislation, building codes and similar requirements in effect within their local footprints. FBCL endeavours to monitor the continued accessibility of its facilities, as is relevant to each's intended purpose, with an aim to improve accessibility to staff, external stakeholders and customers when and where required.





# ABBREVIATIONS

BWB	Blue Water Bridge
CBP	US Customs and Border Protection
CBSA	Canada Border Services Agency
CCTV	Closed Circuit Television
CECRA	Canada Emergency Commercial Rent Assistance
CEO	Chief Executive Officer
CFIA	Canadian Food Inspection Agency
ESG	Environmental, Social, and Corporate Governance
FAA	Financial Administration Act
FBCL	Federal Bridge Corporation Limited
GBA Plus	Gender-based Analysis Plus
GBCF	Gateways and Border Crossings Fund
GIS	Geographic Information System
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	The Seaway International Bridge Corporation Limited
SSM	Sault Ste. Marie
SWOT	Strengths Weaknesses Opportunities and Threats
TARA	Transportation Assets Risk Assessment Program
TCFD	Task force on Climate-related Financial Disclosure





# ACKNOWLEDGEMENTS

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.