

Corporate Plan Summary 2025 | 2030

**Cemented in history,
elevated by stewardship**



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Table of Contents

| | |
|-------------------------------------------------------------------|-----|
| Executive Summary | 1 |
| Corporate Overview | 5 |
| Operating Environment | 9 |
| Objectives, Activities, Expected Results & Performance Indicators | 28 |
| Risk Management | 36 |
| Financial Overview | 40 |
| Annexes | 47 |
| Ministerial Direction | 48 |
| Corporate Governance Structure | 52 |
| Planned Results | 60 |
| Chief Executive Officer Results Commitment | 66 |
| Chief Financial Officer Attestation | 67 |
| Financial Statements | 69 |
| Borrowing Plan | 84 |
| Risk Management | 87 |
| Compliance with Legislative and Policy Requirements | 96 |
| Government Priorities and Direction | 99 |
| ESG Commitment | 107 |
| Abbreviations | 109 |
| Acknowledgments | 111 |



Executive Summary

The Federal Bridge Corporation Limited (FBCL) stands at a pivotal point in its evolution. With a legacy of facilitating more than 4% of vital trade and travel between Canada and the United States, FBCL is committed to infrastructure stewardship for future generations. It has proven time and again its laser focus on the core mandate, that of ensuring the safety, security and traffic throughput of four international bridge corridors.

Advanced aged infrastructure presents both challenges and opportunities. 70% of the corporation’s bridges exceed 65 years of age and half surpass 85 years. Strategic capital projects must be undertaken to enhance the safety, reliability, and longevity of the bridge crossings. This year saw the culmination of the successful rehabilitation of the Blue Water Bridge deck spans and ongoing critical works at the Thousand Islands Bridge, including girder pin replacements and main cable wrapping. Notably in the planning period, to extend the service life of the bridges, precise techniques will be applied to the Blue Water Bridge to address vital drainage issues aggravated by increasingly unpredictable weather patterns. At the Thousand Islands International Bridge we will replace original suspender cables and further preserve the main cable through an advanced dehumidification system. Supplementary investments in bridge electrical and security systems, steel preservation and asset modernization will be assumed across the portfolio. These major rehabilitation works exemplify the FBCL oversight and value engineering commitments.

Financial sustainability remains central to FBCL’s strategy enablement. To this end, the corporation has balanced fiscal, political, and economic realities, with the urgent needs of its bridges. Over \$40 million in revenue losses were experienced since the pandemic. Prudent expense management and strategic limited investments have enabled FBCL to carefully confront each obstacle and demonstrate the highest of resiliency principles across its portfolio. FBCL has prioritized its capital spending requirements, and looks for ways to prudently fund its long-term asset management needs. Bond obligations are on track to conclude by July 2027, and the corporation is managing cash flows to service its additional \$10 million loan drawn during the





pandemic. With the Canada Border Services Agency (CBSA) and the Canadian Food Inspection Agency (CFIA) facilities representing 20% of FBCL’s expenditures, careful review of service delivery remains a priority to identify any and all efficiencies. Work continues with Transport Canada to seek funding for essential rehabilitation projects across the portfolio that extend beyond FBCL’s capacity, be achieved.

In conjunction with this funding for essential capital projects, FBCL has also presented Transport Canada with a proposal in order to identify funding options for sustaining operating activities at FBCL’s subsidiary, The Seaway International Bridge Corporation (SIBC). As this funding has not been yet identified beyond the 2025-26 fiscal year, FBCL is only requesting approval of this Corporate Plan Summary for the 2025-26 fiscal year, and not beyond.

FBCL’s subsidiary, The Seaway International Bridge Corporation Limited (SIBC), is facing a concerning financial position, being unable to meet the needs of the international crossing. After decades of upholding the current structure, including the Crown-mandated free passage to members of the Indigenous community, its legacy funds are expired and annual basic expenditures far exceed the revenue potential.

SIBC is in pressing need of government support to meet its bridge maintenance and operation obligations that are foremost to ensuring the viability, the safety and security of the Seaway International Bridge as a whole. Funding of \$1 million has been approved for fiscal 2025-26, and FBCL has presented a proposal for future years.

Adding to the financial concern is the fact that potential tariffs and the current political environment have reduced volumes by an additional 20% in the last quarter of 2024-25. Therefore, SIBC has had to reduce its 2025-26 operating budget even further in order to align with reduced revenues. This reduction is not sustainable for more than the upcoming fiscal year.

In the longer term, this matter highlights a number of important bi-national partnership questions, governance and financial considerations currently under discussion with Transport Canada.

FBCL continues to develop strategies to maintain its competitive edge. The workforce remains the cornerstone of success. Its team is driven by principles of excellence, innovation and accountability. The corporation maintains an employee engagement in excess of 85% and strives to enhance its key competencies, develop its workforce for succession while fostering a culture of growth and inclusion. This is essential as FBCL prepares for new competition, with the opening of the Gordie Howe International Bridge (GHIB). This added capacity in international bridges will shift the paradigm particularly of commercial traffic and will result in an adjustment to the earning capacity of the largest asset, the Blue Water Bridge. The corporation's asset management program, supporting 25–40 year capital plans, is progressing with integration of technology and live, predictive maintenance optimization. Digitalization and cyber security programs further contribute to these aims.

Partnerships are an added cornerstone to the effective bridge portfolio model. While each international bridge is operated separately, the group forms an integrated unit of expertise and experience. Bi-national governance ensures a coordinated approach in decision-making. Collaboration on joint initiatives with the Michigan Department of Transportation (MDOT), such as a joint toll system continues to deliver deep benefit to the travelling public and the corporation. Deep understanding of each border agencies' mandate and functional parameters enable a cohesive working environment. Safety and emergency preparedness remain paramount, with regular exercises ensuring operational resilience and protecting both employees and bridge users. Further, through an alliance with the Ontario Vehicle Innovation Network, FBCL is providing expertise and a testing ground for advanced transportation border technologies.





Environmental stewardship and social responsibility assist the corporation’s decision-making and an action plan has been developed to guide undertakings. Host community engagement initiatives through the FBCL Community ConneXion program and considerable reconciliation efforts demonstrate a commitment to responsible operations. Assessments of climate change impact and greenhouse gas emissions (GHG) footprint inform FBCL’s efforts to responsibly address areas of concern, aligned with national environmental targets. From an accessibility perspective, many strides have been made. There is an engagement to achieving full organizational accessibility by 2040, guided by recommendations from the Rick Hansen Foundation Accessibility Certification.

Through these strategic initiatives, technological innovations, and unwavering commitment to stewardship, FBCL continues to provide vital infrastructure that supports Canada’s economic and social well-being while preparing for future challenges and opportunities.

Corporate Overview

Mandate and public policy role

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

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

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

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

Vision

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



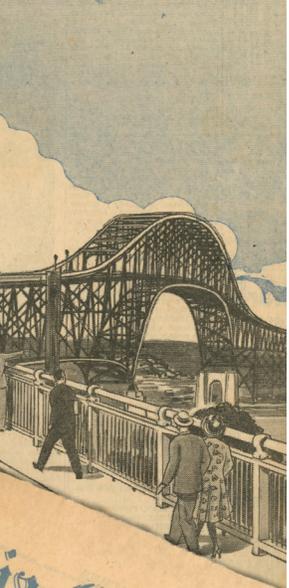


BUILD BRIDGE

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vent a bridge being built. Subse-
quently, however, a proposal was
made whereby through the co-
operation of the State of Michigan
and the Province of Ontario, it was
made possible to finance a bridge
and as a result of the cooperation
between the Province of Ontario
and the State of Michigan, the
structure of the approaches of the
present bridge was completed

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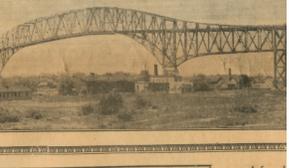
Water T



Routes

COTT
PITZER

International Bridge



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.

Pillars

FBCL delivers on its mission through its five strategic pillars below:

- An organization operating with a portfolio management approach and focused on providing excellent customer service;
- Stewardship of the bridge assets under its responsibility focused on safety and security through a program of independent inspections, and appropriate capital and maintenance programs;
- Effective use of technology, utilizing common platforms to ensure efficiency of operations and accuracy of information, managed in a manner that limits associated risk and cost;
- Sustainability of operations, maintenance and administration through a shared revenue approach, prioritized investment, toll optimization and cost containment; and,
- Sound governance of the Corporation, through an optimized structure, the required capacity and skills, and strong relationships with stakeholders.

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.

Connecting Canada and the United States



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

Most recent annual report

The latest tabled Annual Report (2023-24) is posted at www.federalbridge.ca/corporate-reports



FBCCL at a Glance

Overview

Infrastructure

- 4 international bridge crossings made up of 10 individual bridges
- 50% of bridges are over 85 years old, and 70% are over 65 years old; investment is required
- 20 major buildings and more than 7,500 infrastructure components

Facilitating Trade

- Between October 2023 to September 2024, facilitated 5% more commercial crossings than prior year, representing \$140 billion in traded commodities

Key Successes in fiscal 2024-25

- Maintained A+ Credit Rating with a stable outlook
- Completed rehabilitation of the second BWB, maintaining efficient traffic flow
- Implemented Task Force on Climate-related Financial Disclosures (TCFD)
- Introduced Pay Equity and Accessibility Plans, enhancing workplace equality and inclusivity
- Employee Engagement at 88%, reflecting a positive workplace culture

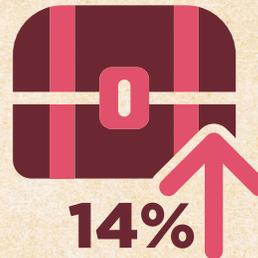
Financial Overview

Current Status

- Revenues increased by 14% to \$46.3 million
- Total annual expenses have increased below annual inflation demonstrating prudent financial management

Constraints

- SIBC can only continue operations through the financial support of government
- Starting to rebuild capital reserves



Traffic Volumes



Commercial Volumes

- Full recovery as compared to pre-pandemic volumes at largest locations
- Expected to be impacted by GHIB opening in 2025, and by political and economic uncertainty

Passenger Volumes

- Passenger traffic recovery at three out four locations remains slow and below expectations due to economic uncertainty and a lower Canadian dollar

Commitments

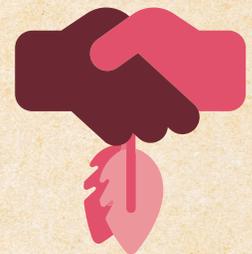
Commitment to full implementation of ESG Framework



Maintaining and optimizing capital infrastructure



Working alongside Government to advance reconciliation efforts



Mitigating cybersecurity threats



Operating Environment

Internal environment

FBCL Human Resources Capital

120

Employees directly employed by FBCL (95) and its subsidiary (25¹), SIBC. Staff at the TIIB and SSMIB are employed by FBCL’s American partners. FBCL continues to operate under a cost constraint model since the pandemic. The strategy has been to temporarily suspend new position hiring with staff have been dynamically reassigned internally to accommodate short-term functional requirements. FBCL will only create new positions after completing a rigorous needs analysis in order to ensure that the position is essential.

Talent Retention

FBCL is committed to investing in our people by the provision of training, development opportunities and a positive work-life balance. To this end, FBCL employees consistently report highly on survey results related to employee engagement (87%, as of Spring 2024 reporting).

Collective Agreement

The Public Service Alliance of Canada (PSAC) Local 501 and FBCL are currently operating under a collective agreement signed in November 2023. This four-and-a-half-year agreement to March 2028, for which PSAC represents approximately 40 employees, is providing a solid foundation of union-employer respect that allows for labour ease well into this planning period.

Pension Plans

Employees of FBCL participate in a defined contribution pension plan with a 50:50 matching ratio, pursuant to Section 89 of the *FAA*. SIBC employees are covered by the defined benefit Public Service Pension Plan (PSPP).

¹ Staffing is contingent upon funding of SIBC operations for the 2025-26 fiscal year. In the event of inadequate funding, this value will range between 15-25.





Infrastructure and associated challenges

From an overarching perspective, FBCL is responsible for the efficient movement of goods and people by ensuring that the bridges and associated infrastructure are well maintained in order to ensure the safety of such movement. A decimated capital funding reserve is the single most challenging factor to execute FBCL's mandate.

Over the past five years, much of FBCL's focus has been on continuing operations during the pandemic and beginning its recovery in a post-pandemic world. FBCL's focused recovery efforts have shifted from simply basic maintaining operations to a capital infrastructure preservation perspective. While FBCL owns four crossings across the international border, this is actually made up of 10 different bridge structures, 50% of which are over 85 years old, 70% are over 65 years old, and the facilities that support these integral bridge crossings have been constructed as early as in the 1960's. With the aging of this critical infrastructure, the time to invest is now.

Until March 2020, revenue generated at each of the crossings ensured that operations and most capital projects could be completed locally at each crossing, with only the most major of new infrastructure receiving government appropriations. When the COVID-19 pandemic affected the world, FBCL was forced to redirect its accumulated capital reserve to ensure continued operations across its portfolio. FBCL still continues to work towards its original capital funding model across all of its locations (except for SIBC that is no longer financially sustainable). Since April 2020, FBCL has received just under \$28 million to invest in critical capital projects, and is appreciative of the Government of Canada for this funding. However, FBCL does not yet have the required capital reserve to achieve the ability to fund all currently required projects, and thus FBCL is seeking funding of \$137.4 million over the planning period to ensure that the existing assets continue to be sustainable and safe.

Blue Water Bridge (BWB)

The BWB is a twinned, international crossing that is one of Canada's most vital ports of entry representing nearly 25% of land crossings in Ontario. The crossing enables approximately

\$100 billion in traded commodities and is used by 4 million commercial trucks and passenger vehicles annually. Throughout the pandemic crisis, this bridge's limited capital reserve was utilized to financially facilitate the imposed *Customs Act*, section 6 Canada Border Service Agency (CBSA) expenses at SSMIB and TIIB to ensure that these ports could remain operational. As a result, it decimated FBCL's critical capital reserves earmarked for capital bridge rehabilitations. The limited self-generated funds have since halted the ability to invest in required infrastructure projects.

Sault Ste. Marie International Bridge (SSMIB)

As a result of continued depressed traffic volumes, this location is operating very close to the breakeven point. From a capital perspective, very little investment has occurred since the pandemic as all funding was used to maintain operations ensuring an open bridge. As such, the critical maintenance and infrastructure needs continue to escalate. Through the pandemic, FBCL utilized its capital reserve to abide by its *Customs Act*, section 6 obligations here, further impacting available budgets for repairs.

Seaway International Bridge (SIB)

This location is in permanent deficit, since fiscal 2020-21, and has only been able to remain operational with financial support from the Crown (4/5 years) and the US owner (1/5 years). Capital funding has also been provided in this time to enable continued operations with machinery and equipment required to keep the crossing open. Traffic forecasts and realization of the user profile, with primary Indigenous community travel receiving Crown-mandated free passage, financial support is needed for the foreseeable future to simply maintain operations, and to not put at risk the safety and security of the bridge crossing.

Thousand Islands International Bridge (TIIB)

When compared to other bridge locations, the aging of the bridges and the plaza (excluding CBSA) are well beyond their natural serviceable life. The bridges are approaching 90 years and the majority of the buildings were constructed in the 1960's with no major building rehabilitations since. The bridge infrastructure at this location only remains solid due to the

Operating Environment



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 ...year a bridge would be built. Subse-
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 ...and the Province of Ontario, it was
 ...made possible to finance a bridge
 ...and as a result of the cooperation
 ...between the Province of Ontario
 ...and the State of Michigan, the
 ...structure of the approaches of the
 ...present bridge was completed

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ongoing regular maintenance work performed by the operator of this crossing, as well as significant maintenance works performed on a required basis. The most recent work involved here has included almost \$8 million in critical infrastructure maintenance funded by the Government of Canada in fiscal 2024-25.

Capital Projects

All of FBCL’s crossings have major works required and planned in the coming years. While FBCL endeavours to realize these works, many will only be feasible through successful federal funding applications for capital appropriations.

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| <p>Blue Water Bridge</p> <p>Total \$94 million</p> <p>(\$68 million requires funding support)</p> | <p>Improved plaza efficiency and throughput of traffic will reduce vehicle idling, waiting times, and GHG emissions. This work will necessitate a realignment of roadways leading to the bridge. Systems to enhance this improved throughput will bring about a better alignment of all stakeholders.</p> <p>Due to climate change and the geographical layout of the plaza, there is an urgent risk of major flooding that threatens to impact safety and impede the quick transit of goods and passengers for Canada-bound commercial truck queue for CBSA inspection.</p> |
| <p>Thousand Islands International Bridge</p> <p>Total \$55 million</p> <p>(\$32 million requires funding support)</p> | <p>Critical bridge maintenance include important works to preclude corrosion on main cables and the steel bridge structure and thus preservation of the advanced aged bridge asset.</p> <p>Communication and technological advancements are required to replace aged/non-compatible systems and to allow for increased security and traffic flow advancements.</p> <p>Modernization of the Canadian maintenance facilities will allow for efficient work to occur in order to maintain the integrity of the crossing.</p> |

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| <p>Sault Ste. Marie International Bridge</p> <p>Total \$8 million</p> <p>(\$3 million requires funding support)</p> | <p>Fundamental repairs, replacements and alignment to electrical code on bridge infrastructure are required to allow for uninterrupted year-round access for commercial vehicles and to ensure critical electrical service continues uninterrupted.</p> <p>The purchase of replacement maintenance equipment necessary for year-round maintenance and snow clearing operations is a necessity at this location, due to aging and safety needs.</p> |
| <p>Seaway International Bridge</p> <p>Total \$7 million</p> <p>(\$5 million requires funding support)</p> | <p>Prolonging the life of the 65+ year old bridge at this location is the primary objective. A recent life cycle study identified key infrastructure items for replacement and improvement and sequencing of works to allow for a future deck replacement of the suspended span.</p> <p>There is a required renewal of decades-old equipment essential for bridge operations.</p> |

Further details on capital projects are included in the appendix of this Corporate Plan Summary under Capital Budget.

External environment

The Corporation generates revenues to pay for expenses and capital projects, excluding projects funded via parliamentary appropriations, principally through toll revenues and supplemented by lease and interest revenues.

Passenger volumes

Since the end of pandemic, passenger traffic has returned to international bridge crossings to differing levels, dictated by the traffic motivators of each crossing. At an overall level, passenger traffic has returned to an 80% level as compared to pre-pandemic levels. While the TIIB is close to pre-pandemic levels, the BWB is still yet to consistently get beyond a 70% level. Such traffic at the BWB is expected to reduce further with the impending opening





of the GHIB. The SSMIB and SIB are progressively having more and more traffic return to each crossing, however, the return is slower than originally expected. Since these bridges rely heavily on passenger volumes, they continue to be heavily impacted by lower volumes.

Commercial volumes

The dependency on commercial volumes differs by bridge location varying between 2% to 40%. The BWB is the second-busiest commercial bridge crossing in the country and consequently any impact on these volumes at this location has the biggest impact on the Corporation's revenues. Accordingly, the impending opening of the GHIB will negatively impact revenues of the corporation. The SSMIB and SIB have limited and continued decreasing commercial traffic linked to geographical routes and types of regional commodities.

The economic conditions in Canada and the United States, as well as the other external factors as described below, have a direct correlation on international vehicle traffic volumes. In the fourth quarter of 2024-25, volumes have been negatively affected due to tariff concerns and the current political environment.

Refer to the Appendix for further details on traffic volumes.

Competitors

BWB (Current existing external environment)

The BWB has robustly established itself as the second-busiest land commercial crossing between Canada and the U.S. This is due to the efficiency of its primary highway access and also, in part, to user frustrations with congestion in the Windsor-Detroit area. Traffic studies show that it offers the preferred routing from Ontario's industrial core to long-haul destinations in the central and southwestern United States such as Chicago, Texas and Mexico.

BWB (External environment projected over the planning period)

The new GHIB is projected to have a significant effect on both passenger and commercial transits at the BWB. While

it is expected to remain the option of choice for western and southwestern tractor trailers, an important (and economically impactful) disruptive cycle to BWB's commercial traffic is anticipated. A new status quo is expected to be established in the region within the first five years following the opening of the new bridge(s), now projected for Fall of 2025.

TIIB and SIB (Current existing external environment)

The TIIB and SIB locations compete with the Ogdensburg-Prescott International Bridge, which operates under a different, privatized, business model, using an aggressive toll rate strategy. This can be done, in large part, due to this location not being subject to restrictive and costly Section 6 requirements under the *Customs Act*. This competitive tolling approach heavily constrains FBCL's flexibility in dealing with toll rate elasticity and rate management along the St. Lawrence Seaway.

TIIB and SIB (External environment projected over the planning period)

There are no changes expected affecting the TIIB and SIB locations.

The SIB is no longer financially self-sustaining as a business model. Without funding support from either government, the risk to the eventual safety and security of the bridge will result.

Bi-national discussions between the partners are enabling the discussions of options with all scenarios requiring some level of financial support from each government and impacting governance.

SSMIB (Current existing external environment)

The SSMIB crossing is the only vehicular crossing from Ontario to Michigan within a 1,000-kilometre radius and as such there is limited competition for this bridge location.





SSMIB (External environment projected over the planning period)

There are no changes expected affecting the SSMIB location. However, the continuing loss of traffic, and slow pandemic recovery in Sault Ste. Marie is concerning. This will create further difficulty for this crossing to achieve self-sufficiency, even from a minor capital perspective.

Technological and security infrastructure changes

Current existing external environment

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 (IBTA)*. Additionally, security operations centres monitor the activities at each bridge location.

External environment projected over the planning period

FBCL is forging relationships to prepare for the future. The Ontario Vehicle Innovation Network (OVIN), part of the Ontario Centre for Innovation (OCI), has partnered with FBCL to identify opportunities to introduce new technology and prepare for the future mobility and cross-border movement of goods and people. FBCL is also a founding member with the Council of the Great Lakes Region (CGLR) to create the Bi-National Great Lakes Border Trade and Supply Chain Alliance and an active member with the Future Boarder Coalition. These relationships enable ongoing discussion between academia, industry, and government to identify solutions that will facilitate and grow the secure movement of goods and people across the international border.

BWB (Current existing external environment)

The BWB's outbound plaza to the U.S. and inbound CBSA traffic processing is beyond its useful life and has infrastructure and system inefficiencies for traffic flow. The toll plaza on the US side

of the crossing is currently engaged in a rehabilitation project that will total approximately US\$600 million.

The BWB Master Plan has been implemented in phases for more than two decades. Ultimately, the goal of the Master Plan is to increase the efficiency and reduce wait times thus reducing current existing bottlenecks and climate impact by reducing idle times. FBCL's financial situation has resulted in funding support being necessary to realize.

FBCL, in partnership with the Ministry of Transportation of Ontario (MTO), has upgraded and expanded the infrastructure allowing a better estimation of the border wait times. Aged equipment was replaced and implemented on both the Canadian and U.S. sides of the BWB border crossing.

BWB (External environment projected over the planning period)

The next phase of the BWB Master Plan will be executed to address the fact that BWB toll lanes are not able to operate at peak capacity. There are currently three commercial truck toll lanes, and two passenger vehicle toll lanes which are not wide enough to allow commercial trucks to pass through. The resulting significant queues can be more than 5 km in length and take hours to clear. Parliamentary appropriations will allow for this project to occur in a more timely fashion, in tandem with the timing of the project on the US side of the crossing.

If FBCL is not able to address these issues, following the US side toll plaza rehabilitation their throughput will be optimized such that FBCL will quickly become the bottleneck, and unable to provide an appropriate level of service for the travelers and trade at this location.

In addition, the toll operations facilities, which are more than 75 years old, will need to be updated to address the lack of space and obsolete technology. The revised toll facility will also be able to address heightened worker safety concerns associated with the building location.

The initiation of the Smart Corridor concept is taking shape at the BWB crossing. This concept utilizes technology in order to





create a safe, sustainable, secure and efficient transportation that benefits all travelers along the corridor. By integrating such a concept at the BWB, and working with Michigan Department of Transportation (MDOT) in order to do so, this will work to keep Canada’s economic prosperity competitive and attractive for essential tourism and trade.

TIIB (Current existing external environment)

This border crossing is serviced by an aged system that lacks speed and bandwidth to operate the security and traffic management systems that are best practices for international bridge crossings.

The camera system has not been updated since 2002 and has now reached its end of life on the equipment and pathways.

TIIB (External environment projected over the planning period)

The technology infrastructure at the TIIB needs to be updated to address increasing security risks including improvement to communications, wind monitoring, traffic management, and surveillance.

Environmental changes

Current existing external environment

As part of its asset management objectives, a weather and climate change impact assessment study was completed. This identified and quantified the Corporation’s vulnerabilities and risk areas. FBCL continues to investigate how these solutions can be implemented either through more immediate funded solutions, or long-term internally funded options.

FBCL has approved an ESG framework (see details within the ESG section found in the Appendix) with a focus on material ESG factors that present the most significant risks over its planning periods, as well as defining strategies to mitigate these risks to an acceptable level. The ESG objectives are included in the *Objectives, Activities, Expected Results & Performance Indicators* section of this Corporate Plan Summary.

FBCL disclosed in its 2023-24 Annual Report, its first TCFD focusing on establishing its base year for scope 1 and scope 2 GHG emissions as well as starting to develop its risks, strategies and metrics for addressing FBCL's environmental impact.

External environment projected over the planning period

The Corporation aims to increase its green presence and is developing its climate change action plan.

The Corporation continues to expand its TCFD report to include:

- scopes 1 and 2 comparison to baseline year;
- scope 3 GHG emissions;
- strategies to mitigate climate risks; and
- metrics to measure GHG reductions.

BWB (Current existing external environment)

The plaza is adjacent to the St. Clair River that is at historical level highs and is prone to flooding and requires a completely new drainage plan to maintain comprehensive service.

It is paramount that commercial trucks and passenger vehicles access to the border crossing be maintained even during weather events. Climate change and rising river levels are getting worse year after year, regularly reaching the plaza pavement and submerging it in levels of water. Flooding incidents on the plaza site impact safety and impede the quick transit of goods and passengers. Flooding events on the plaza are now occurring with regularity.

BWB (External environment projected over the planning period)

In the planning period, the flood mitigation projects will continue with the focus on the commercial truck traffic location of the BWB plaza.

The Canada-bound commercial truck traffic travels through the lowest elevation portion of the plaza. Flooding events present a real and reoccurring bottleneck impact on inbound commercial truck traffic as they impede and slow the flow of traffic. Climate





studies in the area project increases in the precipitation levels continually increasing reaching upwards of 25% over the next fifty years.

Economic indicators

Current existing external environment

Certain government policy decisions directly affect FBCL's operations. This was most evident through evolving travel restrictions resulting from the pandemic. Even with the lifting of all restrictions, passenger volumes are still significantly below pre-pandemic volumes at most FBCL crossings. According to the United Nations World Tourism Organization (UNWTO)², international tourism reached 97% of pre-pandemic levels in the first quarter of calendar year 2024 representing about 20% more than the first quarter of calendar year 2023. The UN Tourism's projection for calendar year 2024 points to a full recovery of international tourism with arrivals growing 2% above calendar year 2019 levels. In calendar 2023, bridge crossings were below the UNWTO average of 89%, and YTD in calendar 2024 crossings have remained more or less consistent and have not increased, despite international tourism on the whole is on the rise.

Over the past four years, inflation rates have hit Canada and the US hard. With rates hitting in excess of 8% and 9%, respectively, in mid-2022, these rates have not been experienced since the 1980s. By the Fall of 2024, the inflation rates in both countries have come down to approximately 2% on a year-over-year basis, still making goods and services more expensive. In the construction market, experienced inflation (or escalation) has been considerably higher than general inflation.

In order to combat these high inflation rates, interest rates were at levels not seen in Canada in over two decades (Canada's Prime Rate increased to as high as 7.2% in July 2023, while the US rate reached 8.5% that same month). With this incentive to save money, this negatively affected the volumes of traffic crossing international borders. Rates have decreased since July 2023 and was 5.95% in October 2024, and 7.7% in the US in November 2024.

² <https://www.unwto.org/news/international-tourism-reached-97-of-pre-pandemic-levels-in-the-first-quarter-of-2024>

Currency exchange rates directly influence the value of goods being imported or exported, as well as whether individuals will travel. Since 2020, the exchange rate of the Canadian dollar with the US dollar has fluctuated between 1.20 and 1.42. From April 1 to September 30, 2024, the exchange rate averaged 1.37.

The Canadian economy is outperforming expectations. In the face of higher interest rates, Canada has avoided the recession that some had predicted. The GDP is expected to grow around 2.25%. At the same time, Canadians are facing challenges due to rising costs of living.

External environment projected over the planning period

While many economic indicators have been trending more positively recently, the impact on passenger volumes has not been progressing as quickly as the economic indicators would predict. The strong commercial traffic across the Canada/US border, however, may be in jeopardy in light of current political actions, including the results of the November 2024 US election. Heightened US protectionist policies combined with expected additional trade tariffs and other barriers, put trade (and therefore commercial traffic volumes at FBCL) in a precarious position for the current term.

Currently, passenger volumes at most Canada-US bridge locations are below the UNWTO analysis of tourism recovery in the Americas. While the economy is rebounding, many individuals still face challenges. With continued inflation and high exchange rates, the current behavioural pattern to not travel locally is expected to continue, especially in light of the current political environment.

According to the Bank of Canada's October 2024 Monetary Policy Report, the inflation rate is expected to return sustainably to the 2% target in the second half of 2025. It is also anticipated that higher than normal inflation will continue in the construction market.

An exchange rate of 1.45 is forecasted for all five fiscal years. This high exchange rate, continues to result in an increase in the cost of items for Canadians and will continue to constrain the cross





border trips of Canadians, by far the biggest users of the Canada-U.S. border.

Following an economic slowdown in calendar years 2023 and 2024, Canadian output was expected to rebound in calendar years 2025 and 2026. The results of the US election have put economic trade into a state of flux and there is an anticipation of decreased trade and commercial traffic between the two countries.

Outstanding legal issues or actions

Current existing external environment

The Corporation is named as a defendant jointly and severally with its wholly owned subsidiary corporation, SIBC, and the Crown in regard to a land claim litigation at the SIB Crossing. FBCL is committed to a favourable settlement for all parties.

In the Fall of 2023, a tentative settlement agreement reached by the parties in 2018 was rejected in a community referendum amongst the Akwesasne people who live on Cornwall Island, as per a notice posted by the MCA. The Attorney General of Canada has assumed responsibility to defend against the claim.

External environment projected over the planning period

Over the planning period, the Crown is likely to continue discussions with the MCA in order to establish a new or revised settlement agreement that will be acceptable to all parties.

It is anticipated that any new or revised settlement agreement would keep the prior agreement's proposal of relocating FBCL facilities off Cornwall Island and returning excess lands to the Crown for Addition to Reserve. This would also result in the required relocation of utilities for the international bridges onto Crown land to be owned by FBCL in perpetuity.

Once the terms of the agreement are solidified, funding to enable its realization will be sought.

Compliance with Authorities

Ministerial Directives

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

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

FBCL is also subject to the Directive on Proactive Publication under the *Access to Information Act* issued pursuant to section 79(2) and 89(2) of the *Access to Information Act* and section 2.2 of the *Policy on Access to Information*. FBCL and its subsidiary are in compliance with these directives.

Ministerial Spirit & Intent and Plans to Align With Government Priorities and Direction

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

Cybersecurity

FBCL continues to invest time and resources to proactively and adequately mitigate and respond to emerging incidents and hazards, including cybersecurity threats. FBCL executes data related initiatives that improve and broaden the Corporation’s cybersecurity program by deploying proven technologies and processes to best protect our digital data interests. The Corporation does not tolerate external data breaches and implements strong mitigating measures including direct involvement with the Communications Security Establishment offerings and yearly program reviews), adequate ransomware insurance, and continuous employee awareness. Upon any findings of inadequate data integrity standards, the Corporation sets up action plans to deal with the observations quickly and efficiently.





BUILD BRIDGE

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International Bridge



Climate change

FBCL is seeking opportunities to advance measures that support Canada’s transition to net zero, and considers targets related to this priority throughout its operations, aspiring towards federal government goals for the country by 2030 and 2050. FBCL’s ESG framework identifies material ESG factors that present the most significant risks over the short, medium, and long terms. It also defines strategies to mitigate these risks to an acceptable level and will seek any funding opportunities to implement these strategies. The ESG Framework is partly outlined under the *ESG Commitment* section of the Corporate Overview as well as under the *Corporate Strategic Goals* section of the *Objectives, Activities, Expected Results and Performance Indicators* of this Corporate Plan Summary. As reported in the 2023-24 Annual Report, a GHG study was conducted in order to comply with TCFD reporting requirements, including providing a base year for scope 1 and 2 GHG emissions, and outlining strategies on GHG reduction. FBCL’s reduction strategy will be contemplated by fiscal 2025-26 which includes scope 3 GHG emissions, comparison of scopes 1 and 2 to the base year, and finalizing its strategies and metrics.

Moving of goods and people

The continued operation of FBCL international bridges is vital to highly integrated supply chains and cross-border movement of essential goods and services. FBCL continues to strive to reduce and prevent bottlenecks in Canada’s transportation network and ease traffic flow between Canada and the United States. FBCL implemented a new tolling system in fiscal 2021-22 at two bridge locations, Point Edward and Sault Ste. Marie. The new tolling system has significantly reduced the commercial truck idling time, recognizing that idling time is the biggest contribution to GHG emissions. FBCL continues to work collaboratively with all stakeholders to proactively mitigate and respond to emerging incidents and hazards. The next phase of the BWB Master Plan is anticipated to address the fact that BWB toll lanes are not able to operate at full capacity. Without funding assistance, however, this work cannot be initiated in the planning period.

Reconciliation efforts

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

Working alongside the Government of Canada, FBCL follows the *United Nations Declaration on the Rights of Indigenous Peoples Act*, which received royal assent in June 2021, by working in partnership with Indigenous Peoples to advance their rights. FBCL and its subsidiary continue to advance reconciliation efforts through meaningful actions directed at highlighting a shared spirit of cooperation and friendship.

Equity, diversity and inclusion

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

It also ensures compliance, per the *Accessible Canada Act*, to help make the transportation system more accessible for persons with disabilities. FBCL continues to advance and pursue Rick Hansen Foundation Accessibility Certification (RHFAC) when building new or making rehabilitations to existing facilities. In line with FBCL's ESG framework, further works on existing infrastructure are pending funding, and certification to RHFAC's gold standard are expected for new buildings, enabling a welcoming and seamless experience for all Canadians and travellers alike.

Budget 2023: Refocusing Government Spending

Budget 2023 announced government-wide spending reductions to:





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

FBCL complies with the spirit of the 2023 budget reductions throughout the planning period.

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. As originally discussed, and subsequently authorized, in FBCL's 2021-2026 Corporate Plan Summary, these exchanges satisfy the strategic interests of all affected parties. In Point Edward, FBCL's vacant lots at 310-316 St Clair Avenue would be exchanged for the Bridge Street access point. In Sault Ste. Marie, the undeveloped eastern portion of 395 Queen Street West would be severed and traded for title to 499 Queen Street West, a vacant property. These exchanges are contemplated in compliance with the *FAA* and the *Crown Corporation General Regulations (1995)*.

Special Examinations and Audit Regime

The Office of the Auditor General (OAG) completed its first special examination of the post-amalgamation FBCL with the final report being tabled in Parliament in May 2022. The findings of the report were very positive for the Corporation and are a further source of pride for FBCL and its employees who put in the work every day to ensure it is serving the needs of Canadians in the highest respects. In its report, the OAG concluded that they found no significant deficiencies for FBCL and that the Corporation manages its bridge assets and operations well. The audit covered topics such as corporate governance, strategic planning, corporate risk management practices, management of bridge assets and bridge operations of the company. The report identified seven areas of improvements which form part of a corporate action plan. Six of these areas of improvements are to be fully actioned between fiscal year 2023-24 and fiscal year

2025-26 and one to be fully actioned within five years of funding becoming available.

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

On a three-year cycle, the Corporation conducts a risk-based audit plan, performing internal audits on a broad set of topics. The current cycle focuses on a wide range of aspects including Information Technology, Security, Infrastructure, Operations, Finance and a review of all significant Corporate and Administrative policies.

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





Objectives, Activities, Expected Results & Performance Indicators

Corporate Strategic Goals

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

The milestones' timelines are identified as:

- ST (short-term, expected to be completed in fiscal year 2025-26);
- MT (medium-term, expected within the first three years of the planning period);
- LT (expected to occur over the five-year period, and beyond); and
- All (recurring on a yearly basis throughout the planning period and beyond).

Sustain Assets, Infrastructure and Operations

Objective: Maintain the stewardship over the quality of FBCL's assets

| Outcome | Strategies | Milestones |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient | Use internal and external capital funding judiciously to extract highest value for Canadians | Execute vital capital works (All) |
| | Develop and implement detailed project plans | Completion of planned significant infrastructure work, as detailed by bridge inspections (All) |
| | Complete annual bridge inspections | Submit annual bridge inspection reports to Transport Canada (All) |
| | Expand Asset Management Program | Advance the Asset Management Program towards predictive analytics (LT) |

Objective: Delivering optimal traffic flow through appropriate levels of service

| Outcome | Strategies | Milestones |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) | Implementation of FBCL's ESG Framework focusing on sustainable development initiatives that reduce environmental impacts, promotes diversity and inclusion, and strengthens governance | Achieve Rick Hansen Foundation Accessibility Certification (RHFAC) (LT) |
| | | Implement recommendations from the climate change impact assessment (LT) |
| | | Complete the stormwater master plan at BWB (MT) |





| Outcome | Strategies | Milestones |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Traffic flow is improved and reduces idling time | Use of toll collection system functionalities to help alleviate bottlenecks | Review toll rate strategy in order to provide strong results and efficiencies (All) |
| Partner and stakeholder relationships are fortified and portfolio integration is expanded | Proactively engage partners and stakeholders to discuss mutually beneficial objectives | Align capital works with partners (All) Review of Smart Corridor Concept (LT) Support establishment of CBSA efficiencies (LT) Streamline operations where feasible across the portfolio (All) |

Objective: Bolster portfolio health and safety

| Outcome | Strategies | Milestones |
|--------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------|
| Workforce health and safety is safeguarded | Enhance the comprehensive health and safety program | Implement priority health and safety elements of the health and safety program (MT) |

Ensuring Adaptable Scalability

Objective: Prioritizing risk

| Outcome | Strategies | Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) | Implementation of FBCL's ESG Framework focusing on sustainable development initiatives that reduce environmental impacts, promotes diversity and inclusion, and strengthens governance | <p>Retrofit and reuse existing buildings where safe and viable during new development using sustainable materials (LT)</p> <p>Aspire to a carbon reduction by 2030, and net zero by 2050 (LT)</p> <p>Finalize TCFD disclosure requirements in the Annual Report (MT)</p> <p>Maintain governance system in compliance with FAA (All)</p> <p>Maintain strong internal control and risk framework (All)</p> |

Objective: Optimizing business operations

| Outcome | Strategies | Milestones |
|-----------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Technological infrastructure is stable, modern and secure | Implement and monitor the cybersecurity and IT action plans | <p>Maintain secure systems and infrastructure (All)</p> <p>Continue successful testing of IT network resiliency (All)</p> |





| Outcome | Strategies | Milestones |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Digital capacity is expanded to optimize traffic and operations | Develop digital strategy | Digital strategy is approved and action plan developed (MT) |
| Partner and stakeholder relationships are fortified and portfolio integration is expanded | Proactively engage partners and stakeholders to discuss mutually beneficial objectives | Establish long-term sustainability strategy for SIBC (MT) |
| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) | Work alongside Government of Canada to continue discussions on Seaway litigation | Advancement of Reconciliation efforts (All) |
| Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient | <p>Complete annual bridge inspections</p> <p>Develop and implement detailed project plans</p> <p>Seek funding opportunities for required capital and maintenance projects that cannot be internally funded</p> | <p>Execute vital capital works (All)</p> <p>Completion of planned significant infrastructure work, as detailed by bridge inspections (All)</p> <p>Submit annual bridge inspection reports to Transport Canada (All)</p> <p>Initiate numerous projects designed to improve traffic flow, if funded (LT)</p> |

Optimize Financial Sustainability

Objective: Diversify revenue and growth

| Outcome | Strategies | Milestones |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FBCL is financially sustainable | <p>Apply for government programs that will allow for revenue diversification and growth through expanded infrastructure options</p> <p>Use of toll collection system functionalities</p> | <p>Submission of funding applications where applicable (All)</p> <p>Review toll rate strategy in order to provide strong results and efficiencies (All)</p> |

Objective: Control of robust financial operations

| Outcome | Strategies | Milestones |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| FBCL is financially sustainable | <p>Continue active monitoring with partners of internal and consolidated budgets and forecasts with necessary adjustments</p> | <p>Review actual to budget financial information quarterly and annually (All)</p> <p>Renew 25- and 40-year capital plans (MT)</p> |

Objective: Solidify capital and debt plans

| Outcome | Strategies | Milestones |
|---------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| FBCL is financially sustainable | <p>Continue prudence over debt facilities</p> | <p>Complete bond repayment schedule in 2027 (MT)</p> <p>Continue achievement of positive S&P Global Ratings debt rating (ST & MT)</p> |

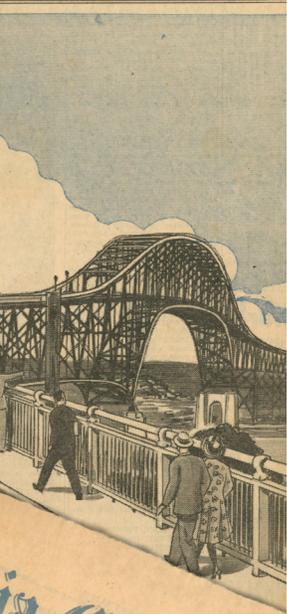


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International Bridge



| Outcome | Strategies | Milestones |
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| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) | Work alongside Government of Canada to continue discussions on Seaway litigation | Advancement of meaningful reconciliation efforts (LT) |
| Partner and stakeholder relationships are fortified and portfolio integration is expanded | Identification of portfolio-wide project savings | Implementation of significant portfolio-wide cost savings project (MT) |

Nurture Excellence in People

Objective: Support employee development and diversity and enhance corporate citizenship

| Outcome | Strategies | Milestones |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A qualified workforce is attracted and retained | Develop and deliver on an employee engagement action plan based on annual employee survey results | Maintain strong results from annual employee surveys (All) Complete succession plans for critical roles (ST) Enhance opportunities for cross-portfolio skills and practices exchanges (All) |

| Outcome | Strategies | Milestones |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) | Implementation of FBCL's ESG Framework focusing on sustainable development initiatives that reduce environmental impacts, promotes diversity and inclusion, and strengthens governance | Invest in developing women employees in leadership roles and promote initiatives that support equality, diversity, and inclusion (All) Enhance baseline analysis of Black, Indigenous, People of Colour (BIPOC) and other HR metrics (All) Advancement of meaningful reconciliation initiatives (All) |

Objective: Maintain community engagement opportunities

| Outcome | Strategies | Milestones |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------|
| Partner and stakeholder relationships are fortified and portfolio integration is expanded | Engage in Community ConneXion activities to assist not-for-profits in host communities | Continue Community ConneXion involvement (All) |





Risk Management

Our Risk Profile

The Corporation’s risk profile encompasses sixteen (16) independently monitored risks which are regularly managed and adapted in response to market and environmental changes. As of November 2024, the FBCL risk profile is as follows with risk levels considered to be inherent risks:

✶: Severe
 ▲: High
 ◆: Major
 ■: Moderate
 ●: Low
↔: Stable
 ↑: Increasing Risk
 ↓: Declining Risk

| | | |
|---------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Sustainability | ▲ ↑ | Medium and long-range capital requirements exceed the revenue collection potential for the bridge portfolio and facility infrastructure. Traffic volumes are still recovering to reach pre-pandemic levels. Prudent budget management and cash flow monitoring inform decision-making. |
| Funding of SIBC | ▲ ↑ | SIBC faces high financial exposure due to Crown-mandated free passage and the absence of a long-term agreement on partnership funding. FBCL is engaged in ongoing discussions with the U.S. Partner, GLS, and the Government of Canada regarding funding options, including a cyclical review of tolls and other revenue generation methods. |
| External Forces | ■ ↑ | Market supply and demand dynamics impact traffic volumes. Potential changes due to local, provincial/state and national election outcomes in both countries could also affect FBCL. Careful monitoring of developments and contingency planning enable stability of operations. |

✶: Severe ▲: High ◆: Major ■: Moderate ●: Low
↔: Stable ↑: Increasing Risk ↓: Declining Risk

| | | |
|----------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cybersecurity | ■ ↔ | <p>Maintaining data integrity and security is crucial for informed decision-making. FBCL has heightened awareness of data breaches and ransomware. A comprehensive cybersecurity action plan has been finalized and is in the process of deployment.</p> |
| Public and Asset Security | ■ ↔ | <p>The FBCL bridge portfolio remains secure against misuse and threats, though risks persist due to occasional port running events and mental health issues at crossings. Robust international bridge security plans and high-alert security protocols are in place.</p> |
| Organizational | ■ ↔ | <p>Substantial changes in governance or senior leadership of any of the FBCL bi-national partners could influence the relationship. FBCL is collaborating closely with Transport Canada and GLS on the future operating model of the SIBC.</p> |
| People Safety | ■ ↔ | <p>Employee safety is prioritized at FBCL, with comprehensive training and emergency action plans in place. Risks to personnel are managed through modern policies and adapted to the local operating context.</p> |
| Asset Management | ■ ↔ | <p>Long-term asset planning is critical to success. FBCL is implementing new technologies to efficiently build an accurate asset management plan as long-term capital changes and associated funding needs surpasses FBCL's current capacity. Prioritization and alternative sources of funding are fundamental elements.</p> |





🌸: Severe ▲: High ◆: Major ■: Moderate ●: Low
 ↔: Stable ↑: Increasing Risk ↓: Declining Risk

| | | |
|----------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reputation | ■ ↔ | The risk to our reputation has increased to medium due to increased media attention for ongoing capital construction projects and media requests. Financial challenges of the subsidiary, SIBC, could impact public perception of the corporation and the safety and security of the bridge. Active engagement with the U.S. partner, GLS, and the Government of Canada are ongoing to resolve. |
| Competition | ■ ↔ | The risk of competition has increased to medium due to the imminent opening of a new international crossing in the Southwestern Ontario region. Frequent monitoring and discussions with our partners provide appropriate information to mitigate any material impacts. |
| Fraud | ● ↔ | Fraudulent financial activities are increasing with increased digitalization. FBCL has intensified fraud prevention training for employees and strengthened our internal audit plans. |
| Environmental, Social, and Governance | ● ↑ | As the ESG action plan is actioned, risks are being identified, assessed and monitored in alignment with the Corporation's mandate and objectives. |
| Workforce Management | ● ↔ | FBCL's workforce is its strength. Careful consideration of policies, programs impacting employees are at the forefront of every decision. |
| Technology | ● ↔ | Technology is imbedded in every aspect of international bridge operations. FBCL's technology landscape aligns with best practices and Government of Canada policies. |

🌸: Severe ▲: High ◆: Major ■: Moderate ●: Low
 ↔: Stable ↑: Increasing Risk ↓: Declining Risk

| | | |
|-----------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Partnerships / Stakeholders | ● ↔ | Long-standing positive bi-national relationships guided by international agreements enable a stable and effective engagement with our partners and stakeholders. |
| Infrastructure | ● ↔ | The potential exists for infrastructure to be compromised through accidents, incident, natural disasters, or a capital funding gap. FBCL ensures that the results of bridge inspections are addressed promptly and continue to utilize asset management tools to ensure capital funding requirements are well known in advance. |





Financial Overview

Current Situation

FBCL's goal is to generate adequate revenue to cover its daily operations, carry out a risk-based asset management program, and make required payments on its legacy debt. At the same time, the Corporation must also build fiscal surpluses to responsibly address the present and future major capital requirements of the bridges, approaches, and facilities. At the present time, three of four bridge locations continue with operational surpluses, albeit two locations remain at minimal levels due to aged infrastructure needs. SIBC is, and will be, experiencing recurring operating deficits for the duration of this Corporate Plan Summary and beyond, which require government support to continue operations and maintenance. Elsewhere, the Corporation is experiencing stability on its operational front, and is in the long-term process of rebuilding its capital reserve.

Cash Flow Projection

The focus is to build a capital reserve and reinvest into infrastructure at the highest priority amongst the portfolio locations. This will serve to ensure the longevity, safety and security of the bridges and associated infrastructure. As at March 31, 2024, FBCL had \$21 million of cash and investments, with nearly half obtained from an urgent \$10 million loan in February 2022 and for which only \$0.8 million has been repaid. The corporation's starting cash flow position is a little more than \$10 million, with \$9.0 million per year required to treat legacy debt. FBCL still has a considerable recovery path post-pandemic to be more financially secure. As a measure of comparison, at March 31, 2020, this capital reserve was nearly \$25 million. The corporation continues to work towards this level, as an initial goal, although that amount is insufficient to meet its long-term infrastructure needs.

Over the planning period, the legacy bonds will be fully repaid, thus freeing up nearly \$9 million per year of cash outflow. This is offset by lower toll revenues resulting primarily from the opening of the GHIB in addition to entering a time of considerable economic uncertainty. With increasing capital costs, due to the

aging of FBCL’s infrastructure, FBCL will unlikely be in a position to rebuild its reserve sufficiently until well beyond the planning period. It is estimated that at the end of this five year planning period that the capital reserve will be nil, as cash and investments will be less than the remainder outstanding from the \$10 million loan.

Operating Budget

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

Commercial

Fiscal year 2024-25 has represented a solid year for the BWB location with commercial volumes being abnormally higher than usual. This is a temporary direct correlation to a large pricing increase decision made by a large competitor bridge. However, this positive upward trend is likely short-lived. As the GHIB opens in fiscal year 2025-26, commercial traffic reductions are certain as this new alternative will shift considerable traffic from FBCL’s BWB location. On a similar note, the tolls rates at the GHIB have yet to be announced publically, and the ripple effect at competitor locations has a strong potential to drive traffic to return to the Windsor-Detroit area. The recent elections in the United States are bringing uncertainty to commercial markets in Canada, which will place uncertainty on border trade. The potential for imposition of tariffs and other trade levers are high, and the negative effect on traffic volumes is currently unknown. This will affect all four bridge locations.

Passenger

Across the portfolio, the Corporation continues to witness considerable variability in the resumption of passenger traffic across the Canada-US border. Portfolio-wide, current volumes are between 70% to 90% of pre-pandemic volumes. This is forecasted to be the new normal for cross-border traffic at these locations, with only very marginal further gains, if any. In a similar fashion to commercial volumes, passenger volumes are also being negatively

Financial Overview





impacted by political decisions and will be further impacted by the opening of the GHIB.

SIBC

The operating government funding component, both the approved funding and proposal, in this Corporate Plan Summary relates solely to the SIB crossing in Cornwall. Crown-mandated free passage to Indigenous populations now accounts for 80% of all crossings at this location. This crossing will require funds to simply keep operations functioning indefinitely due to the growing loss of permanent paying customers. Other external factors affecting this deficit in operations include the cost of inflation and the increased maintenance relating to the aging of the South Channel Bridge. At the present time, no such funding have been authorized beyond 2025-26, which leaves the organization in a particularly vulnerable state.

Funding of \$1 million has been approved for fiscal 2025-26. A funding proposal provided by FBCL to Transport Canada requires approval for fiscal years 2026-27 and thereafter, to ensure continued maintenance and operations of this crossing. This funding proposal is for \$1.5 million per year in operating funding. In order for the crossing to break even operationally with no major maintenance or capital investments, tolls would have to be increased by nearly \$2.50 per passenger vehicle and \$15.75 based on a five axle commercial truck (equivalent to a 70% increase) over the planning period. This price burden is publically unjustifiable as it would be levied solely against the 20%, or so, of traffic that cross this bridge by paying tolls. Given the geographical location of the bridge, increasing the toll rate by 70% would have a severe negative effect on the traffic volumes as passenger volumes account for the majority of the revenues. A significant increase in toll rates, such as this, would have an important negative economic impact to Akwesasne businesses on Cornwall Island, which is not in the best interests of furthering Reconciliation efforts by this Corporation or the Government of Canada.

Other revenues

Tolls and services represent 90% of all revenues. Leases and permits represent most of the remainder of this, at 8% with Duty

Free and commercial space leases. Following the pandemic, many customs brokers and tourism outlets did not renew their leases, for varying reasons. FBCL has pivoted, and has been able to lease the existing space to other private businesses. Based on current square footage, there is no opportunity to create new significant leasing opportunities over the planning period, unless significant capital infrastructure was undertaken, which is not possible given FBCL’s cash flow projections.

Operating expenses

As revenues are expected to permanently decrease as outlined above, FBCL’s focus continues to be on cost containment. Despite being fully exempted from Budget 2023 spending reduction initiatives, FBCL has complied with these reductions, nonetheless. The corporation continues to ensure that spending levels are reasonable and essential all the while ensuring that FBCL’s portfolio of bridges provide 24/7 operations and proper maintenance and upkeep of the structures. Staff, particularly in maintenance departments, across the portfolio of bridges needed to be brought back to work since 2023-24 and need to be retained hereafter in order to engage in routine maintenance and catch up on maintenance projects to ensure FBCL’s assets do not incur additional unattended wear and tear. For SIB, given the decrease in volumes experienced, additional cuts in 2025-26 have been incorporated, but are supported with funding in 2026-27 and thereafter.

Capital Expenditures

Over the planning period, FBCL anticipates incurring \$56.3 million of capital expenditures. The particulars of the capital expenditures have been detailed in the Infrastructure and Associated Challenges component of the Operating Environment of this Corporate Plan Summary. FBCL has submitted a parliamentary appropriation capital request for \$137.4 million which would include an additional \$107.3 million of capital works in addition to the \$56.3 million currently included in the Capital Budget. The requested funding would provide FBCL a strong step towards extending the life and viability of major and aged infrastructure in its portfolio.





Many of the projects that have funding requested were initially provided for as part of applications made under the National Trade Corridors Fund (NTCF). These requests were made in 2022, and the corporation can no longer wait for a funding decision from this fund. FBCL’s capital reserves remain depressed, and the challenges facing them are well documented here. With 70% of FBCL’s major bridge structures soon to exceed 65 years of age, they are approaching their 75-year expected lifespan. Some of these bridges are already well over that expected lifespan. With the depletion of FBCL’s fiscal reserves, and the consecutive years of delayed capital infrastructure projects, FBCL fiscal needs are clear.

Sensitivity Analysis

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

- **Passenger volume assumptions:** Since the end of the pandemic, passenger volumes have returned to various levels of new expectations dictated by the traffic motivators of each crossing. Traffic levels are expected to be permanently below pre-pandemic volumes. Furthermore, volumes will decrease due to a new political and economic environment including a low Canadian dollar and the opening of the GHIB. A 10% decrease/increase in passenger volumes would result in a decrease/increase of revenues of \$1.4 million in the first year of this plan.
- **Commercial volume assumptions:** This Corporate Plan Summary incorporates a decline in commercial volumes due to economic indicators, the likelihood of change in U.S. trade policy including new tariffs, and the opening of the GHIB. A 10% decrease/increase in commercial volumes would result in a

decrease/increase of revenues of \$2.9 million in the first year of this plan.

- **Exchange rate:** Between April 2020 to October 2024, the exchange rate has varied by \$0.22 (as low as 1.20 and as high as 1.42). With both the TIIB and SSMIB locations operating primarily in U.S. dollars, fluctuations in rates have a direct impact on both toll revenues and expenditures. This Corporate Plan Summary incorporates a 1.45 exchange rate. A \$0.10 change in the exchange rate results would have a negligible impact on net income. However both revenues and expenses would increase/decrease in a similar fashion.
- **Inflation:** Annual inflation rates have historically been 1% to 3%. However, rates since 2020 have risen to as high as 9% and are currently now within the historical averages 1% to 3%. This directly affects the cost of goods purchased. This Corporate Plan Summary incorporates inflation rates of 2% annually, with further detail provided in the annexes. A 1% decrease/increase in inflation would result in a decrease/increase in expenses of \$0.2 million.
- **Salaries and wages:** Salaries and wages represent over 50% of the operating budget expenses. The cost of living is directly impacted by inflation, which adds pressure to salary costs. A 2% inflation rate has been budgeted. Where possible and known, union negotiated rates of increase have been incorporated. A 1% decrease/increase in the expected salaries and wages would result in a compounding annual decrease/increase in expenses of \$0.2 million.

Over the planning period, capital acquisitions are budgeted at \$56.3 million. A 1% increase or decrease in inflation would result in a \$0.6 million variance.

Debt Review

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

FBCL's \$110.0 million worth of bonds are budgeted to be fully paid by July 2027, based on continued biannual payments. Over the





course of the next three fiscal years, FBCL will still be required to make \$22 million (principal plus interest) worth of payments to satisfy the bondholders. This debt was assumed by the amalgamated entity of FBCL from the predecessor organization, The Blue Water Bridge Authority, and requires almost \$9.0 million worth of payments every year. These payments inhibit FBCL's ability to fund significant capital projects on its own.

In fiscal year 2021-22, FBCL shouldered much of its pandemic-induced cash requirements on itself by accessing a credit facility of \$10 million. The repayment of this credit facility will be amortized over a number of years, but was originally accessed in order to service debt payments on bonds for only the 2022-23 fiscal year. Expenditure savings since the inception of the loan have enabled FBCL to stretch the use of the credit facility. No further credit facilities are currently being pursued by the Corporation.

The Corporation currently has no intention of entering into any new capitalized leases within the forthcoming 5-year Corporate Plan Summary that require approval in accordance with Section 127(3) of the *FAA* and the associated *Crown Corporation General Regulations, 1995*. The Corporation however will be entering into a new office space lease agreement for its Ottawa location. While no approvals are required, as it is below the threshold established in the regulations, the cost of the lease has been added to lease liabilities on the Consolidated Statement of Financial Position.

Annexes

Ministerial Direction

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

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

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

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

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

Minister of Transport



Ministre des Transports

Ottawa, Canada K1A 0N5

September 6, 2022

Pascale Daigneault
Chairperson of the Board of Directors
Federal Bridge Corporation Limited
pdaigneault@federalbridge.ca

Dear Pascale Daigneault:

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

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

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

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

Canada

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

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

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

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

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

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

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

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

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

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

Sincerely,

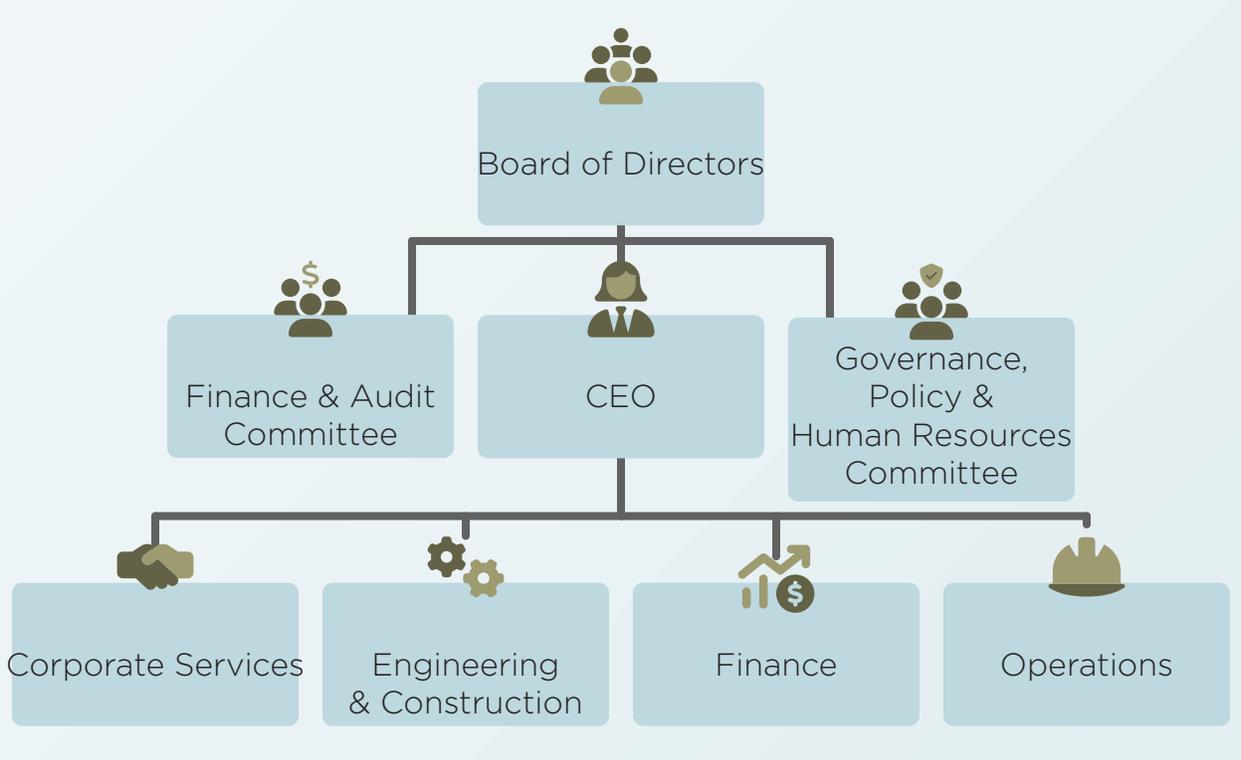


The Honourable Omar Alhabra, P.C., M.P.
Minister of Transport

Corporate Governance Structure

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

FBCL Governance Structure



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

FBCL Board Role

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

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

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

In accordance with section 113.1 (1) of the *FAA*, the Board of Directors holds an annual public meeting each year, which is open to the public, to highlight the Corporation's activities over the past year, as well as current and future initiatives. FBCL's most recent annual public meeting was held virtually in October 2024. The presentation from this meeting is published on [FBCL's website](#).

Board of Directors Membership

| Position | Location | OIC Appt. Date | Term |
|-------------------------------------------------------------|---------------------------|-------------------|---------|
| Pascale Daigneault Chairperson | Sarnia, Ontario | May 9, 2021 | 5 Years |
| Marie-Jacqueline Saint-Fleur Vice-Chairperson | Montreal, Québec | June 5, 2024 | 4 Years |
| Natalie Kinloch Director, Chief Executive Officer | North Glengarry, Ontario | February 1, 2024 | 5 Years |
| John Lopinski Director | Port Colborne, Ontario | February 1, 2022 | 4 Years |
| Andrew Travis Seymour Director | Cornwall, Ontario | June 5, 2024 | 4 Years |
| Rakesh Shreewastav Director | Toronto, Ontario | June 5, 2024 | 4 Years |
| Richard Talvitie Director | Sault Ste. Marie, Ontario | December 17, 2024 | 3 Years |

Member attendance records in the most recently completed fiscal period are listed in the Corporation's [Annual Report](#).

Committees

Finance and Audit Committee

Mandate

As per the duties outlined in the *FAA*, the Finance and Audit Committee provides oversight and makes recommendations to the Board on the standards of integrity and behaviour, the reporting of financial information, management control 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, its resulting plans, and report updates in reference to the Asset Management Program. The Committee performs other functions assigned to it by the Board and they are included in corporate by-laws.

Membership

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

Governance, Policy and Human Resources Committee

Mandate

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

Membership

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

Audit Regime

The audit regime consists of external and internal audits.

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

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

FBCL Senior Executives

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

Annual compensation detail for key management personnel is available in the Corporation's [Annual Report](#).

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 under the purview of the Government of Canada.

| | Sault Ste. Marie International Bridge | Blue Water Bridge | Thousand Islands International Bridge | Seaway International Bridge |
|-----------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| FBCL Ownership | 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 Bridges; 50% Rift Bridges; 100% of Canadian bridge plaza and port of entry | 100% North Channel Bridge, 100% of Canadian toll plaza and International Road; 32% South Channel Bridge |
| International Partner | Michigan Department of Transportation | Michigan Department of Transportation | Thousand Islands Bridge Authority, a New York State <i>Public Authorities Law</i> public benefit corporation | Great Lakes St. Lawrence Seaway Development Corporation (GLS), an agency of the United States Department of Transportation |

| | Sault Ste. Marie International Bridge | Blue Water Bridge | Thousand Islands International Bridge | Seaway International Bridge |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Bridge Operator | International Bridge Administration, a distinct administrative unit within the Michigan Department of Transportation with delegated authority from Sault Ste. Marie Bridge Authority, a separate legal entity constituted by Michigan Department of Transportation and FBCL | Canadian portion: FBCL; American portion: Michigan Department of Transportation | Thousand Islands Bridge Authority | Seaway International Bridge Corporation Limited, an agent Crown corporation is an FBCL subsidiary Canadian Crown corporation |
| Governance Structure | Eight Directors: four Americans appointed by the Governor of Michigan; four Canadians appointed by FBCL | Canadian portion: FBCL; American portion: Michigan Department of Transportation | U.S. Chair and six Directors appointed by Jefferson County: three Americans and three Canadians (recommended by FBCL) | Eight Directors appointed by FBCL, four Canadians and four Americans (recommended by GLS) |

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 | Weaknesses |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Experienced Leadership and Governance: Experienced leadership and staff; effective management and governance.</p> | <p>SIBC Financial Sustainability Issues: Non-sustainable operations at SIBC due to Crown-mandated free passage increase risk and dependence on government support.</p> |
| <p>Efficient Asset Management: Enhanced asset management and procurement for efficient infrastructure lifecycle and resource use.</p> | <p>Insufficient Capital Reserves: Low capital reserves post-pandemic limit investment in major infrastructure, causing financial constraints.</p> |
| <p>Robust Risk Management and Cybersecurity: Effective performance, risk management, and modern cybersecurity protect operations and data.</p> | <p>Revenue Dependence on Tolls: High reliance on toll revenue with limited diversification exposes FBCL to traffic fluctuations.</p> |
| <p>Strong Support and Resilience: Government support, stakeholder collaborations, and resilience enable adaptability.</p> | <p>Border Processing Capacity: Reliance on throughput capacity of border partners to ensure continual traffic movement.</p> |
| | <p>Inherited Debt Obligations: Mandatory bond payments inherited from legacy corporation constrain financial flexibility.</p> |
| | <p>Unfunded Mandate Costs: Increasing costs to support CBSA/CFIA mandates without offsetting funding strain resources.</p> |
| | <p>Limited Human Resources: Small staff size may impact capacity to manage projects and operations effectively.</p> |

Opportunities**Threats**

Policy changes and economic volatility resulting from Canadian and US election cycle

Funding for Sustainability:
Availability of government funding for infrastructure maintenance and traffic management improvements to enhance long-term asset sustainability and operational efficiency.

Governance and Reconciliation:
Potential to establish new governance and financial frameworks for SIBC to improve financial sustainability, and continue to advance reconciliation efforts.

Growth Potential: Anticipated economic development in Sarnia-Lambton, and opportunities for revenue diversification to expand business potential; increase traffic volumes.

Partner Investments: MDOT's investment in BWB U.S. plaza reconstruction may improve U.S. Customs and Border Protection (CBP) processing efficiency.

Reduced Traffic and Revenues:
Competition from new Windsor-Detroit bridge, high reliance on volatile passenger traffic at three out of four locations, and changing travel behaviours may reduce volumes and revenues.

External Vulnerabilities:
Dependencies on economy, exchange rates, political decisions, border policy changes, and partner processing capacity may disrupt operations and revenues.

Rising Costs and Climate Impact:
High material and service costs, and climate change impacts increase operational costs and risk to assets.

Planned Results

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

The targets’ timelines are identified as:

- ST (short-term, expected to be completed in fiscal year 2025-26);
- MT (medium-term, expected within the first three years of the planning period);
- LT (expected to occur over the five-year period, and beyond); and
- All (recurring on a yearly basis throughout the planning period and beyond).

| Outcomes | Performance Indicators | Target | Data source and methodology |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------|
| Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient | Percentage of high-priority maintenance identified in bridge inspection reports completed on time and on budget | 100% (All) | Operational and partner maintenance reporting |
| | Percentage of significant infrastructure projects completed on time and on budget | > 90% (All) | Procurement documents and financial records |

| Outcomes | Performance Indicators | Target | Data source and methodology |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient - continued | Asset management program is expanded towards predictive analytics | Computerized Maintenance Management System is implemented (ST) 100% of imagery (GIS) (LT) 100% of infrastructure inventory at all bridge locations (LT) | Asset Management internal reports |
| Traffic flow is improved and reduces idling time | Percentage of improvement in significant identified bottlenecks | > 5% increase in use of ConneXion cards (MT) | Internal operational reports |
| Partner and stakeholder relationships are fortified and portfolio integration is expanded | Number of collaborative projects implemented | ≥ 1 annually (All) | Internal project reporting |
| | Establish long-term sustainability strategy for SIBC | To complete (MT) | Internal reporting |
| | Maintain level of support provided to host communities | > 100 hours annually (All) | Internal reports |
| Workforce health and safety is safeguarded | Percentage of priority elements implemented | 100% implementation (MT) | Health and safety internal reports |

| Outcomes | Performance Indicators | Target | Data source and methodology |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) | SDG Goal 5: Number of development initiatives regarding women employees in leadership roles | ≥ 2 development leadership initiatives directed at women (All) | ESG framework Internal project reporting Annual report Human Resources reports |
| | SDG Goal 5: Number of development initiatives that support equality, diversity, and inclusion | Diversity (All) <ul style="list-style-type: none"> • Designated groups > 65% • Leadership positions occupied by women > 40% • Bilingual employees > 20% • Gender diversity variance < 10% • Indigenous > 10% • Visible minorities > 8% | |

| Outcomes | Performance Indicators | Target | Data source and methodology | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--|
| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) - continued | SDG Goal 9: Achieve Rick Hansen Foundation Accessibility Certification (RHFAC) Gold | 100% of existing BWB buildings and new constructions (LT) | ESG framework Internal project reporting Annual report Human Resources reports - continued | |
| | SDG Goal 9: % of new or retrofit construction to reuse existing materials where safe and viable during development | 100% of infrastructure projects are reviewed and analyzed to identify highest percentage of retrofit and reuse possible (LT) | | |
| | SDG Goal 10: Advancement of reconciliation efforts on Seaway litigation | Per Crown established timeline (All) | | |
| | SDG Goal 10: Number of First Nations initiatives | ≥ 5 annually (All) | | |
| | SDG Goals 12 & 13: Carbon reduction targets set | Establish reduction strategies by 2025-26 Annual Report TCFD disclosure (MT) | | |

| Outcomes | Performance Indicators | Target | Data source and methodology |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Improved alignment of Environmental, Social and Governance (ESG) framework with United Nations Sustainable Development Goals (UNSDG's) - continued | SDG Goal 13: Percentage of recommendations from the climate change impact assessment that have been implemented | > 50% (LT) | ESG framework Internal project reporting Annual report Human Resources reports |
| | SDG Goal 13: Stormwater master plan at BWB is completed | To complete (MT) | - continued |
| | SDG Goal 16: OAG Special Examination recommendations addressed | 100% addressed per established timeline (All) | |
| | SDG Goal 16: Maintain strong internal controls | Address 100% of internal audit recommendations within one year (All) | |
| | TCFD includes all elements of disclosure | 100% of material scope 3 are disclosed (ST) 100% of metrics and strategies are established (MT) | |

| Outcomes | Performance Indicators | Target | Data source and methodology |
|-----------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------|
| Technological infrastructure is stable, modern and secure | Number of cybersecurity and data breaches and events | 0 external breaches (All) 0 internal data privacy events (All) | Information technology reporting |
| | Percentage of IT network uptime | > 99.6% (All) | Information technology reporting |
| Digital capacity is expanded to optimize traffic and operations | Number of high-value digital transformation initiatives implemented | ≥ 2 initiatives (MT) | Operational improvement reports |
| FBCL is financially sustainable | Ensure long term positive cash flow | Operating cash flow > \$11M annually (All) | Annual Audited Consolidated Financial Statements |
| | Percentage of debt payments made in full and on time | 100% (All) | Annual Audited Consolidated Financial Statements |
| A qualified workforce is attracted and retained | Maintain employee engagement across the organization | Engagement > 80% (All) | Annual employee surveys |
| | Minimize employee turnover rate | Turnover rate < 15% (All) | Human Resources reports |

Chief Executive Officer Results Commitment

I, Natalie Kinloch, as Chief Executive Officer of The Federal Bridge Corporation Limited, am accountable to the Board of Directors of The Federal Bridge Corporation Limited for the implementation of results described in this Corporate Plan Summary 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.



Natalie Kinloch,
Chief Executive Officer
The Federal Bridge Corporation Limited

May 15, 2025

Date

Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of The Federal Bridge Corporation Limited, accountable to the Board of Directors of The Federal Bridge Corporation Limited through the Chief Executive Officer, I have reviewed the Corporate Plan Summary, 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 Summary have the potential to be highly disruptive to FBCL business, including the precarious financial state of FBCL's subsidiary, The Seaway International Bridge Corporation, and the significant capital infrastructure work required on FBCL's portfolio of bridge crossings. Prudent budgeting and investment decisions have been made within this Corporate Plan Summary, supplementing the need for financial assistance, 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 Summary 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 Summary, with the following observation:

Parliamentary appropriation funding has only been identified for a one-year period (2025-26) to support required operations, and therefore the approval requested for this Corporate Plan Summary is requested as an approval of only the 2025-26 fiscal year. An operating funding proposal has been made to be effective for the 2026-27 fiscal year, and beyond, to ensure the operational continuity of The Seaway International Bridge Corporation. Should this proposal not be successful in time to plan for the 2026-27 fiscal year, the operations of The Seaway International Bridge Corporation will be materially affected.

- 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 Summary).
- 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 Summary 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 in this Corporate Plan Summary is sufficient overall to support decision making.



May 15, 2025

Date

Richard Iglinski,
Chief Financial Officer
The Federal Bridge Corporation Limited

Financial Statements

This Corporate Plan Summary 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.

Toll revenues

International traffic mix:

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

Blue Water Bridge (BWB)

- 35 - 45% commercial vehicles
- 55 - 65% passenger traffic

This is the second-busiest commercial bridge crossing in the country.

This crossing provides Canada a proven, reliably strong crossing for commercial vehicles across the Great Lakes in the southwestern part of the province. It provides a critical redundancy for Canada's trade routes due to its geographic separation from the Windsor area. The connectivity on both sides of the international border to major highways helps to move goods and freight between the two countries. Passenger traffic is made up primarily of cross-border tourists, family connections and retail shoppers.

Thousand Islands International Bridge (TIIB)

- 20% commercial vehicles
- 80% passenger traffic

Strongest commercial crossing in Eastern Ontario.

This is due to the major highway connectivity on both sides of the border and bolstered by significant investments in border customs facilities by both the Canadian and U.S. federal governments. Passenger traffic at this location has a strong base of local traffic who live in and around the Thousand Islands. It is also supported by strong seasonal tourist volumes, as a gateway either into New York state, or eastern Ontario, and for snowbird traffic to warmer winter climates.

Sault Ste. Marie International Bridge (SSMIB)

- 10% commercial vehicles
- 90% passenger traffic

Very high dependence on local passenger traffic.

This crossing is the only vehicular crossing from Ontario to Michigan within approximately 1,000 kilometres. The closely tied communities of both sides of the border necessitate this bridge to ensure the region continues to stay connected. Sault Ste. Marie is the largest international trade crossing in northwestern Ontario, with trade volumes being in the billions of dollars annually. The international bridge connects to the Trans-Canada Highway and is a convenient route for goods transported from northeastern and eastern Ontario, and from Quebec to the Upper Great Lakes states. The crossing is connected directly to the major north-south artery I-75 and to the Michigan Highway 28, which runs south of Lake Superior into Wisconsin and Minnesota.

Seaway International Bridge (SIB)

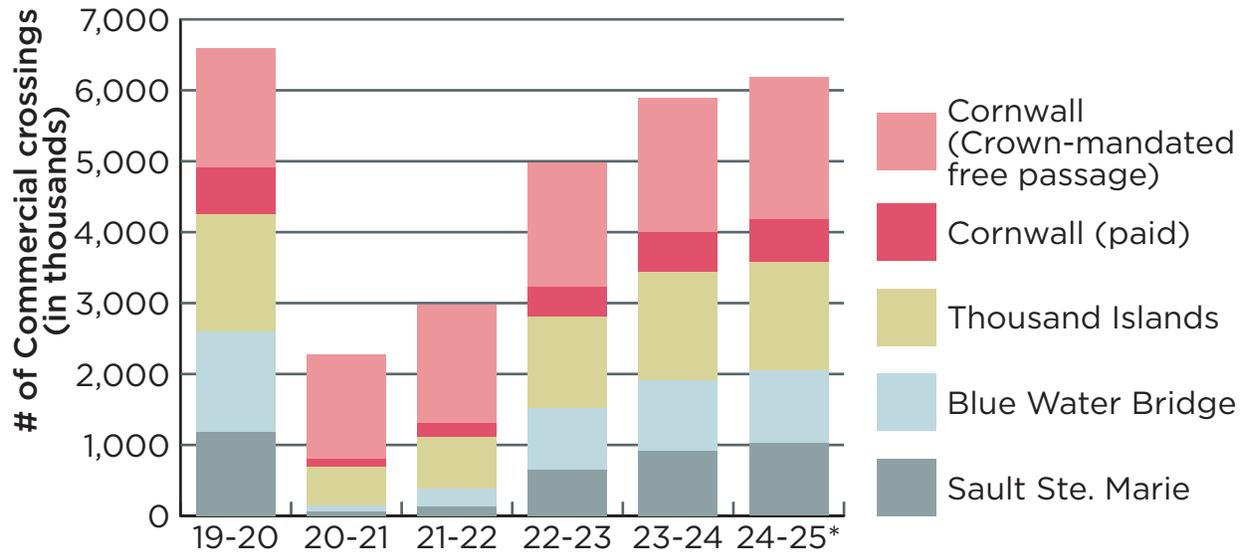
- 25% paid crossings, made up of: 6% commercial vehicles and 94% passenger traffic
- 75% Crown-mandated free passage made up of: 2% commercial vehicles and 92% passenger traffic

The SIB welcomes 2 million free transits due to the Crown-mandated free passage obligations afforded to the Indigenous community. Due to the lack of major highways or interstates connecting directly to the bridge, there is a low overall dependency on commercial traffic volumes. This was lessened all the much more as major manufacturers in the immediate area have left.

2024-25 Forecast:

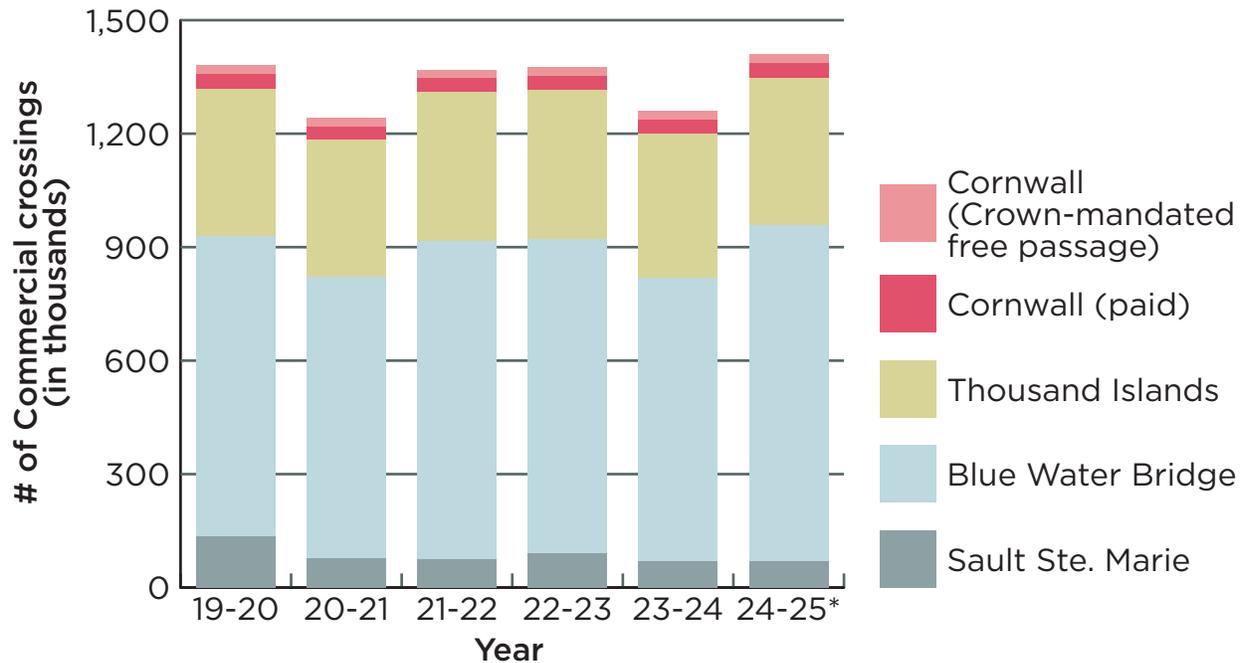
All bridge locations continue to see increases in passenger volumes with current levels ranging between 70% to 90% of pre-pandemic volumes per bridge. As compared to the previous year, overall passenger volumes have increased by 5% ranging from 2% to 12% per bridge location. The commercial volumes at the BWB location are considerably higher than the past few years. This is a temporary direct correlation to a large pricing increase decision made by a major competitor bridge. This increase in commercial volumes have contributed to revenue values being in excess of the budget. The financial results presented herein are management's best estimates and actual results may differ from forecasted results.

Passenger volumes



* Denotes forecasted volumes

Commercial volumes



* Denotes forecasted volumes

Looking forward:

Traffic across borders at international bridge locations is affected by many factors. This can include, but is not limited to, foreign exchange rates, industries opening or closing on either side of the border, public policy, efficiencies in customs processing, tariffs, exchange rates, changing customer preferences, and societal perceptions (particularly witnessed during the COVID-19 pandemic) to name a few. For citizens living near borders, they rely on cross-border travel as part of their normal day-to-day routine. These routines have been interrupted and/or cancelled altogether as a result of the pandemic. Across the range of bridge and tunnel crossings in Ontario, differing local environments and economic drivers have led to differing recovery rates of return to normal traffic volumes. Barring significant issues, like new competition, the new volume levels seen by crossings at this time are now very likely the new expected volumes for the foreseeable future.

Overall, both commercial and passenger volumes are expected to decrease due to the uncertainty in the U.S. trade and border policies as well as the opening of the GHIB. Commercial volumes, other than those at the BWB, are predicted to be below prior year averages with no growth in volumes expected during the planning period. The BWB location is expected to decrease more significantly than other FBCL locations with the shift in traffic related to the opening of the GHIB. Passenger volumes over the course of the planning period are expected to see regional variances, as traffic recovery across the portfolio has slowed significantly. A further decrease in passenger volumes at the BWB is estimated once the GHIB opens in 2025, as well.

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

Operating Expenses and Capital Expenditures

As revenues are expected to permanently decrease as outlined above, FBCL's continues to focus on cost containment. Despite being fully exempted from Budget 2023 spending reduction initiatives, FBCL has complied with these reductions, nonetheless. The corporation continues to ensure that spending levels are reasonable and essential, while ensuring that FBCL's portfolio of bridges provide 24/7 operations and proper maintenance and upkeep of the structures. Staff, particularly in maintenance departments, across the portfolio

of bridges needed to be brought back to work in earnest since fiscal year 2023-24 and need to be retained hereafter in order to engage in routine and preventative maintenance, to ensure FBCL's assets do not suffer additionally from wear and tear.

Across its portfolio, FBCL anticipates incurring \$56.5 million of capital expenditures through the planning period. The particulars of the capital expenditures have been detailed in the Infrastructure and Associated Challenges component of the Operating Environment of this Corporate Plan Summary.

FBCL has submitted a parliamentary appropriation capital request for \$137.4 million which would include an additional \$107.3 million of capital works in addition to the \$56.5 million currently included in the Capital Budget. The requested funding would provide FBCL a strong step towards extending the life and viability of major and aged infrastructure in its portfolio.

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:

Changes Resulting from Competition:

- Gordie Howe International Bridge - it is expected that the new bridge will come into operation in the 2025-26 fiscal year. Furthermore, the BWB expects to see a considerable reduction in traffic due to this, for both passenger and commercial vehicles.
- No other significant changes in traffic volumes are expected as a result of neighbouring bridge operations in FBCL's portfolio.

Economy:

In Canada, many economic indicators have been trending more positively recently. At border locations, the impact on passenger volumes has not been progressing as quickly as the economic indicators would predict. A higher cost of living and a low Canadian dollar are but two factors that figure prominently in the reasons why passenger traffic has not rebounded to pre-pandemic volumes.

The strong commercial traffic across the Canada/US border particularly at FBCL's two largest crossings, however, may face volatility in light of heightened US protectionist policies. These policies, combined with discussions of additional trade tariffs and other barriers, put Canada/US border trade (and therefore commercial traffic volumes at FBCL) in a precarious position for the current term.

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 \$10.0 million. At the current time there is no estimate as to measures that may be brought in by a new administration in the US that could modify U.S. border processing times. This could impact passenger volumes to a larger extent than commercial, should such measures be introduced.

Inflation Rate:

General inflation is anticipated to be 2% for fiscal year 2025-26 and beyond. However certain expenses such as insurance costs and construction are expected to escalate at least 5% and 6%, respectively, for the duration of the planning period.

Exchange Rates:

Fiscal year 2025-26 & onwards: 1 CDN \$ = 0.69 US \$ / 1 US \$ = 1.45 CDN \$

Interest Rates:

It is generally expected that interest rates will continue a steady drop from current levels as the interest varies in relation to the Canadian prime rate. The prime rate is budgeted to decrease to 4.7% in fiscal year 2025-26 and to 4% thereafter.

Consolidated Statement of Financial Position

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|---------------------------------------------|-----------------|-------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| ASSETS | | | | | | | | |
| Current Assets | | | | | | | | |
| Cash and cash equivalents | 11,397 | 8,426 | 7,135 | 8,737 | 7,883 | 6,469 | 5,334 | (98) |
| Investments | 9,757 | 16,000 | 11,000 | 13,000 | - | - | - | - |
| Trade and other receivables | 2,872 | 2,000 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Prepays | 1,579 | 1,700 | 1,220 | 1,750 | 1,800 | 1,850 | 1,900 | 1,950 |
| TOTAL CURRENT ASSETS | 25,605 | 28,126 | 20,855 | 24,987 | 11,183 | 9,819 | 8,734 | 3,352 |
| Non-current Assets | | | | | | | | |
| Capitalized assets | 340,791 | 340,540 | 343,130 | 330,795 | 330,497 | 317,494 | 309,281 | 305,048 |
| Lessor Inducement | 159 | 144 | 125 | 125 | 106 | 91 | 76 | 61 |
| Investments | - | 6,000 | 2,000 | 6,000 | - | - | - | - |
| TOTAL NON-CURRENT ASSETS | 340,950 | 346,684 | 345,255 | 336,920 | 330,603 | 317,585 | 309,357 | 305,109 |
| TOTAL ASSETS | 366,555 | 374,810 | 366,110 | 361,907 | 341,786 | 327,404 | 318,091 | 308,461 |
| LIABILITIES | | | | | | | | |
| Current liabilities | | | | | | | | |
| Trade and other payables | 1,726 | 2,000 | 3,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Employee benefits | 1,319 | 1,200 | 1,209 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Holdbacks | - | 160 | 50 | - | - | - | - | - |
| Deferred revenue | 1,905 | 1,900 | 2,652 | 1,810 | 1,659 | 1,508 | 1,357 | 1,200 |
| Capitalized leases | 203 | 191 | 226 | 229 | 225 | 233 | 239 | 197 |
| Loans payable | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Bonds payable | 7,191 | 7,675 | 7,675 | 8,192 | 4,301 | - | - | - |
| Deferred funding | 4,110 | 4,641 | 4,541 | 4,781 | 4,905 | 4,884 | 4,898 | 4,015 |
| TOTAL CURRENT LIABILITIES | 16,854 | 18,167 | 19,753 | 18,612 | 14,690 | 10,225 | 10,094 | 9,012 |
| Non-current Liabilities | | | | | | | | |
| Capitalized leases | 420 | 213 | 187 | 894 | 669 | 436 | 197 | - |
| Loans payable | 8,767 | 8,367 | 8,367 | 7,967 | 7,567 | 7,167 | 6,767 | 6,367 |
| Bonds payable | 20,166 | 12,493 | 12,493 | 4,301 | - | - | - | - |
| Employee benefits | 6,621 | 7,071 | 8,568 | 7,521 | 7,971 | 8,421 | 8,871 | 9,321 |
| Deferred revenue | 760 | 761 | 761 | 610 | 459 | 308 | 157 | - |
| Deferred funding | 96,104 | 108,197 | 108,170 | 103,416 | 98,511 | 93,627 | 88,729 | 84,714 |
| TOTAL NON-CURRENT LIABILITIES | 132,838 | 137,102 | 138,546 | 124,709 | 115,177 | 109,959 | 104,721 | 100,402 |
| TOTAL LIABILITIES | 149,692 | 155,269 | 158,299 | 143,321 | 129,867 | 120,184 | 114,815 | 109,414 |

Consolidated Statement of Financial Position (Continued)

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|---------------------------------------------|-----------------|-------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| EQUITY | | | | | | | | |
| Retained earnings | 216,900 | 219,549 | 207,819 | 218,594 | 211,927 | 207,228 | 203,284 | 199,055 |
| Accumulated other comprehensive income | (37) | (8) | (8) | (8) | (8) | (8) | (8) | (8) |
| TOTAL EQUITY | 216,863 | 219,541 | 207,811 | 218,586 | 211,919 | 207,220 | 203,276 | 199,047 |
| TOTAL LIABILITIES AND EQUITY | 366,555 | 374,810 | 366,110 | 361,907 | 341,786 | 327,404 | 318,091 | 308,461 |

Consolidated Statement of Changes In Equity

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|---------------------------------------------|-----------------|-------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| BALANCE, BEGINNING OF YEAR | 213,663 | 216,863 | 213,430 | 219,541 | 218,586 | 211,919 | 207,220 | 203,276 |
| Net income / (loss) | 2,033 | 2,678 | (5,619) | (955) | (6,668) | (4,698) | (3,944) | (4,229) |
| Actuarial gains / (losses) | 1,195 | - | - | - | - | - | - | - |
| Investments (AOCI) | (28) | - | - | - | - | - | - | - |
| BALANCE, END OF YEAR | 216,863 | 219,541 | 207,811 | 218,586 | 211,919 | 207,220 | 203,276 | 199,047 |
| Made up of: | | | | | | | | |
| Retained earnings | 216,900 | 219,549 | 207,819 | 218,594 | 211,927 | 207,228 | 203,284 | 199,055 |
| Accumulated OCI | (37) | (8) | (8) | (8) | (8) | (8) | (8) | (8) |

Consolidated Statement of Comprehensive Income

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|------------------------------------------------------|-----------------|-------------------|-------------------------|----------------|-----------------|----------------|----------------|----------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| REVENUES | | | | | | | | |
| Tolls and services | 32,726 | 36,422 | 31,153 | 34,749 | 32,433 | 34,632 | 35,325 | 35,789 |
| Leases and permits | 3,925 | 3,778 | 3,902 | 3,932 | 4,016 | 4,186 | 4,237 | 4,289 |
| International Thousand Islands Bridge revenue | 7,905 | 8,280 | 8,226 | 9,155 | 9,155 | 9,155 | 9,893 | 9,893 |
| Interest | 905 | 1,052 | 407 | 561 | 517 | 518 | 568 | 569 |
| Other | 798 | 496 | 640 | 445 | 440 | 442 | 444 | 447 |
| TOTAL REVENUE | 46,259 | 50,028 | 44,328 | 48,842 | 46,561 | 48,934 | 50,467 | 50,987 |
| EXPENSES | | | | | | | | |
| Operations | 6,500 | 7,569 | 8,158 | 8,680 | 8,547 | 8,831 | 9,107 | 9,380 |
| Thousand Islands International Bridge expenses | 5,353 | 6,700 | 6,756 | 7,597 | 8,052 | 7,870 | 8,250 | 8,326 |
| Maintenance | 6,691 | 7,200 | 7,826 | 7,992 | 8,664 | 9,193 | 9,716 | 9,917 |
| CBSA & CFIA operations | 4,286 | 4,217 | 4,318 | 4,261 | 4,413 | 4,573 | 4,740 | 4,907 |
| Administration | 5,785 | 6,685 | 7,041 | 7,323 | 7,628 | 7,797 | 7,981 | 8,188 |
| Additional funding of SIBC operations ⁽¹⁾ | 545 | 510 | 510 | 500 | 750 | 750 | 750 | 750 |
| Depreciation | 17,794 | 17,806 | 18,793 | 17,733 | 19,253 | 19,031 | 18,368 | 18,290 |
| TOTAL EXPENSES | 46,954 | 50,687 | 53,402 | 54,086 | 57,307 | 58,045 | 58,912 | 59,758 |
| OPERATING INCOME BEFORE GOVERNMENT FUNDING | (695) | (659) | (9,074) | (5,244) | (10,746) | (9,111) | (8,445) | (8,771) |
| GOVERNMENT FUNDING | | | | | | | | |
| Funding in relation to operating expenses | 1,091 | 1,019 | 1,019 | 1,000 | - | - | - | - |
| Amortization of deferred funding | 3,967 | 4,280 | 4,398 | 4,641 | 4,781 | 4,905 | 4,884 | 4,898 |
| TOTAL GOVERNMENT FUNDING | 5,058 | 5,299 | 5,417 | 5,641 | 4,781 | 4,905 | 4,884 | 4,898 |
| NON-OPERATING ITEMS | | | | | | | | |
| Interest expense | (2,330) | (1,962) | (1,962) | (1,352) | (703) | (492) | (383) | (356) |
| TOTAL NON-OPERATING ITEMS | (2,330) | (1,962) | (1,962) | (1,352) | (703) | (492) | (383) | (356) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 2,033 | 2,678 | (5,619) | (955) | (6,668) | (4,698) | (3,944) | (4,229) |

Government Funding Support

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|-----------------------------------------------------------|-----------------|-------------------|-------------------------|----------------|----------------|---------------|---------------|---------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| Appropriations from Government of Canada | | | | | | | | |
| Vote 1 - Payments to the corporation | | | | | | | | |
| Approved Funding | 7,381 | 17,923 | 17,923 | 1,000 | - | - | - | - |
| Funding proposal - Operations ⁽¹⁾ | - | - | - | - | 1,500 | 1,500 | 1,500 | 1,500 |
| Funding proposal - Capital ⁽¹⁾ | - | - | - | 5,000 | 22,100 | 37,500 | 51,500 | 21,300 |
| Lapsed Funding | 336 | - | - | - | - | - | - | - |
| Total Funding Identified | 7,717 | 17,923 | 17,923 | 6,000 | 23,600 | 39,000 | 53,000 | 22,800 |
| Grand Total | 7,717 | 17,923 | 17,923 | 6,000 | 23,600 | 39,000 | 53,000 | 22,800 |
| Reconciliation of government funding | | | | | | | | |
| Total funding in current year | 7,717 | 17,923 | 17,923 | 1,000 | - | - | - | - |
| Amortization of Deferred Government Funding | 3,967 | 4,280 | 4,398 | 4,641 | 4,781 | 4,905 | 4,884 | 4,898 |
| Government funding deferred to future years | (5,954) | (16,904) | (16,904) | - | - | - | - | - |
| Total amount recognized in Statement of Operations | 5,730 | 5,299 | 5,417 | 5,641 | 4,781 | 4,905 | 4,884 | 4,898 |
| Balance of Deferred Government Funding | | | | | | | | |
| Balance - start of year | 98,227 | 100,214 | 100,205 | 112,838 | 108,197 | 103,416 | 98,511 | 93,627 |
| Government funding recognized in year | 5,954 | 16,904 | 16,904 | - | - | - | - | - |
| Amortization of deferred government funding | (3,967) | (4,280) | (4,398) | (4,641) | (4,781) | (4,905) | (4,884) | (4,898) |
| Balance - end of year | 100,214 | 112,838 | 112,711 | 108,197 | 103,416 | 98,511 | 93,627 | 88,729 |

⁽¹⁾ Funding proposal to Transport Canada for consideration under Parliamentary Appropriations. Realization dependant on specific authorities granted.

Consolidated Statement of Cash Flows

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|-------------------------------------------------------------------|-----------------|-------------------|-------------------------|----------------|--------------|----------------|-----------------|-----------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Net Income | 2,033 | 2,678 | (5,620) | (955) | (6,668) | (4,698) | (3,944) | (4,229) |
| Adjustments for: | | | | | | | | |
| Amortization of deferred funding | (3,967) | (4,280) | (4,398) | (4,641) | (4,781) | (4,905) | (4,884) | (4,898) |
| Depreciation of capitalized assets | 17,794 | 17,806 | 18,793 | 17,733 | 19,253 | 19,031 | 18,368 | 18,290 |
| Change in employee benefits | 581 | 331 | 576 | 450 | 450 | 450 | 450 | 450 |
| Loss on disposal of assets | (179) | - | - | - | - | - | - | - |
| Changes in working capital: | | | | | | | | |
| (Increase) decrease in trade and other receivables | (541) | 872 | 500 | 500 | - | - | - | - |
| (Increase) decrease in prepaids | (9) | (121) | 280 | (50) | (50) | (50) | (50) | (50) |
| Increase (decrease) in trade and other payables | 201 | 274 | - | - | - | - | - | - |
| Increase (decrease) in holdbacks | - | 160 | - | (160) | - | - | - | - |
| Increase (decrease) in deferred revenue | (454) | (4) | (41) | (241) | (302) | (302) | (302) | (314) |
| Increase (decrease) in lease inducements | 11 | 15 | 19 | 19 | 19 | 15 | 15 | 15 |
| Net cash generated by operating activities | 15,470 | 17,731 | 10,109 | 12,655 | 7,921 | 9,541 | 9,653 | 9,264 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Payments for property and equipment (government funded) | (5,738) | (16,904) | (16,904) | - | - | - | - | - |
| Payments for property and equipment (FBCL funded) | (1,114) | (651) | (2,779) | (7,030) | (18,955) | (6,028) | (10,155) | (14,057) |
| Funding related to acquisition of property and equipment received | 5,738 | 16,904 | 16,904 | - | - | - | - | - |
| Proceeds on sale (purchase) of investments | (3,091) | (12,243) | 1,000 | 3,000 | 19,000 | - | - | - |
| Net cash generated (spent) on investing activities | (4,205) | (12,894) | (1,779) | (4,030) | 45 | (6,028) | (10,155) | (14,057) |

Consolidated Statement of Cash Flows (Continued)

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|-------------------------------------------------------------|-----------------|-------------------|-------------------------|----------------|----------------|----------------|--------------|----------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Proceeds (Repayment) of bonds payable | (6,737) | (7,189) | (7,190) | (7,675) | (8,192) | (4,301) | - | - |
| Proceeds (Repayment) of loans payable | (400) | (400) | (400) | (400) | (400) | (400) | (400) | (400) |
| Proceeds (Repayment) of lease liability | (239) | (219) | (221) | (239) | (229) | (225) | (233) | (239) |
| Net cash generated (spent) on financing activities | (7,376) | (7,808) | (7,811) | (8,314) | (8,821) | (4,926) | (633) | (639) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,889 | (2,971) | 519 | 311 | 645 | 87 | 365 | (3,932) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 7,508 | 11,397 | 6,616 | 8,426 | 8,737 | 7,883 | 6,469 | 5,334 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 11,397 | 8,426 | 7,135 | 8,737 | 7,883 | 6,469 | 5,334 | (98) |

Operating Budget

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|----------------------------------------------------------|-----------------|-------------------|-------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| FUNDING | | | | | | | | |
| Tolls | 32,726 | 36,422 | 31,153 | 34,749 | 32,433 | 34,632 | 35,325 | 35,789 |
| Leases and permits | 3,925 | 3,778 | 3,902 | 3,932 | 4,016 | 4,186 | 4,237 | 4,289 |
| International Thousand Islands Bridge operating revenues | 7,905 | 8,280 | 8,226 | 9,155 | 9,155 | 9,155 | 9,893 | 9,893 |
| Interest | 905 | 1,052 | 407 | 561 | 517 | 518 | 568 | 569 |
| Other | 798 | 496 | 640 | 445 | 440 | 442 | 444 | 447 |
| Funding in relation to operating expenses | 1,091 | 1,019 | 1,019 | 1,000 | - | - | - | - |
| TOTAL FUNDING | 47,350 | 51,047 | 45,347 | 49,842 | 46,561 | 48,934 | 50,467 | 50,987 |
| EXPENSES | | | | | | | | |
| Operations | 6,500 | 7,569 | 8,158 | 8,680 | 8,547 | 8,831 | 9,107 | 9,380 |
| Thousand Islands International Bridge expenses | 5,353 | 6,700 | 6,756 | 7,597 | 8,052 | 7,870 | 8,250 | 8,326 |
| Maintenance | 6,691 | 7,200 | 7,826 | 7,992 | 8,664 | 9,193 | 9,716 | 9,917 |
| CBSA & CFIA operations | 4,286 | 4,217 | 4,318 | 4,261 | 4,413 | 4,573 | 4,740 | 4,907 |
| Administration | 5,785 | 6,685 | 7,041 | 7,323 | 7,628 | 7,797 | 7,981 | 8,188 |
| Additional funding of SIBC operations | 545 | 510 | 510 | 500 | 750 | 750 | 750 | 750 |
| TOTAL EXPENSES | 29,160 | 32,881 | 34,609 | 36,353 | 38,054 | 39,014 | 40,544 | 41,468 |
| EXCESS OF FUNDING OVER EXPENDITURES | 18,190 | 18,166 | 10,738 | 13,489 | 8,507 | 9,920 | 9,923 | 9,519 |

FBCL Operating Proposal to Transport Canada

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|-----------------------------------------------------------------------------|-----------------|-------------------|-------------------------|----------|--------------|--------------|--------------|--------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| FUNDING | | | | | | | | |
| Cornwall funding requested in relation to operating expenses ⁽¹⁾ | - | - | - | - | 1,500 | 1,500 | 1,500 | 1,500 |
| TOTAL OPERATING FUNDING | - | - | - | - | 1,500 | 1,500 | 1,500 | 1,500 |

⁽¹⁾ Funding proposal to Transport Canada for consideration under Parliamentary Appropriations. Realization dependant on specific authorities granted.

Capital Budget

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|---------------------------------------------------------|-----------------|-------------------|-------------------------|--------------|---------------|--------------|---------------|---------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| FBCL AVAILABLE FUNDING | | | | | | | | |
| Internal funds available | 573 | 651 | 2,779 | 7,030 | 18,955 | 6,028 | 10,155 | 14,057 |
| TOTAL FBCL FUNDING | 573 | 651 | 2,779 | 7,030 | 18,955 | 6,028 | 10,155 | 14,057 |
| EXPENDITURES | | | | | | | | |
| FBCL funded: | | | | | | | | |
| Blue Water Bridge and Plaza Rehabilitation | - | - | 325 | - | 6,074 | 150 | 5,000 | 1,000 |
| Blue Water Equipment and Vehicles | 360 | 175 | 1,100 | 1,117 | 1,581 | 2,550 | 750 | 930 |
| Blue Water Buildings Repairs and Upgrades | - | 155 | - | 715 | 750 | 830 | 500 | 330 |
| Cornwall Bridge and Plaza Rehabilitation | - | - | - | 503 | - | 23 | - | 26 |
| Cornwall Equipment and Vehicles | - | - | 334 | 100 | 258 | 160 | 467 | 278 |
| Lansdowne Bridge and Plaza Rehabilitation | 52 | - | 20 | 3,000 | 9,000 | 700 | 2,000 | 8,000 |
| Sault Ste. Marie Bridge and Plaza Rehabilitation | - | - | - | 345 | 17 | 840 | 279 | 2,718 |
| Sault Ste Marie Equipment and Vehicles | 102 | - | - | - | 225 | - | 384 | - |
| Property acquisitions | 59 | 21 | 500 | 500 | 100 | 125 | 125 | 125 |
| Other capital projects | - | 300 | 500 | 750 | 950 | 650 | 650 | 650 |
| TOTAL FBCL EXPENDITURES | 573 | 651 | 2,779 | 7,030 | 18,955 | 6,028 | 10,155 | 14,057 |
| Funded with appropriations: | | | | | | | | |
| Blue Water bridge rehabilitation | 5,001 | 8,539 | 7,922 | - | - | - | - | - |
| Blue Water Equipment and Electronic Systems | - | 805 | - | - | - | - | - | - |
| Blue Water Plaza design improvements and rehabilitation | - | 477 | 1,067 | - | - | - | - | - |
| Cornwall bridge repairs | 45 | 63 | 37 | - | - | - | - | - |
| Sault Ste. Marie Equipment and plaza improvement | - | 260 | - | - | - | - | - | - |
| Lansdowne Canadian Bridge repairs | 742 | 6,523 | 7,618 | - | - | - | - | - |
| Other capital projects | 166 | 237 | 260 | - | - | - | - | - |
| TOTAL EXPENDITURES | 5,954 | 16,904 | 16,904 | - | - | - | - | - |
| TOTAL CAPITAL EXPENDITURES | 6,527 | 17,555 | 19,683 | 7,030 | 18,955 | 6,028 | 10,155 | 14,057 |
| (SHORTFALL) OF FUNDING OVER EXPENDITURES | (5,954) | (16,904) | (16,904) | - | - | - | - | - |
| Appropriations: | | | | | | | | |
| Approved capital appropriations funded | 5,954 | 16,904 | 16,904 | - | - | - | - | - |
| Total Appropriations | 5,954 | 16,904 | 16,904 | - | - | - | - | - |
| EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES | - | - | - | - | - | - | - | - |

FBCL Capital Proposal to Transport Canada

| as at March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|--------------------------------------------------------------------|-----------------|-------------------|-------------------------|--------|-------|--------|--------|--------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| FUNDING & CAPITAL EXPENDITURES | | | | | | | | |
| Cornwall bridge rehabilitation ⁽¹⁾ | - | - | - | 245 | 535 | 411 | 2,050 | 1,909 |
| Blue Water Bridge redevelopment ⁽¹⁾ | - | - | - | 606 | 3,596 | 21,278 | 32,349 | 10,353 |
| Lansdowne redevelopment ⁽¹⁾ | - | - | - | 446 | 1,167 | 14,640 | 15,614 | 246 |
| Sault Ste Marie commercial traffic flow enhancement ⁽¹⁾ | - | - | - | 398 | 931 | 362 | 483 | 319 |
| TOTAL FUNDING & CAPITAL EXPENDITURES | - | - | - | 1,695 | 6,229 | 36,691 | 50,496 | 12,827 |

⁽¹⁾ Funding proposal to Transport Canada for consideration under Parliamentary Appropriations. Realization dependant on project specific authorities granted

Borrowing Plan

Borrowing Authority

The corporation has financing arrangements in place, the bulk of which were to fund a portion of major capital projects that a legacy corporation incurred at the time. A further arrangement is in place by which the corporation shouldered a significant portion of its cash needs, which were precipitated by the decimation of bridge traffic during the pandemic. Pursuant to Section 127(3) of the *FAA*, the corporation is only engaged in borrowings that have been approved by the Minister of Finance. This approval from the Minister is valued at no more than \$130.0 million per *Economic Action Plan 2013 Act, No. 2*.

Overview of Borrowing

As at March 31, 2025, the Corporation will have three outstanding financing arrangements:

- Bonds remaining from a legacy corporation to fund BWB capital redevelopment in June 2002. There remains \$20.2 million principal balance outstanding, on an original face value issue of \$110 million, 6.41% Revenue Bonds, payable semi-annually, due July 9, 2027, subject to maintenance of bond rating. The corporation has worked hard to maintain its A+ bond rating, based on strong financial management and support from the federal government.
- A \$10 million loan for continued requirements at FBCL was secured with certain conditions. This term facility is non-revolving, fixed rate, on a non-current basis, with periodic payments of interest and principal, and not to exceed a maturity of 25 years. Approvals for this loan authority were granted in fiscal year 2020-21, allowing FBCL to draw upon this loan facility up until March 31, 2022. In February 2022, the corporation had fully drawn this facility. The Minister of Finance has approved a term loan of 5-year with an FBCL option to extend for a further 5-year period. FBCL is likely to exercise this extension in February 2027. The remaining principal is \$8.8 million.
- Upon implementing the new accounting standard, IFRS 16 on April 1, 2019, FBCL recorded the lease liability for its Ottawa location resulting in a liability of \$1.7 million at that time. This liability ends December 2026. The remaining principal is \$0.4 million.

New Borrowing

The Corporation will be entering into an extended, or new, office space lease agreement for its Ottawa location. Since the lease is below the threshold established in the *Crown Corporation General Regulations, 1995*, there is no requirement to seek approval in accordance with Section 127(3) of the *FAA*. The cost of the lease has been added to lease liabilities on the Consolidated Statement of Financial Position in fiscal year 2027-28 and thereafter.

FBCL does not have plans to enter into significant debt arrangement in the upcoming five-year period and consequently does not anticipate any approvals in accordance with Section 127(3) of the *FAA* and the associated *Crown Corporation General Regulations, 1995*.

Outstanding Borrowings

| for the year ending March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|-----------------------------------------------------------|-----------------|-------------------|-------------------------|---------------|---------------|--------------|--------------|--------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| LONG-TERM BORROWINGS: | | | | | | | | |
| CURRENT PORTION | | | | | | | | |
| Capitalized leases | 203 | 191 | 226 | 229 | 225 | 233 | 239 | 197 |
| Loans payable | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Bonds payable | 7,191 | 7,675 | 7,675 | 8,192 | 4,301 | - | - | - |
| TOTAL CURRENT PORTION OF BORROWINGS | 7,794 | 8,266 | 8,301 | 8,821 | 4,926 | 633 | 639 | 597 |
| NON-CURRENT PORTION | | | | | | | | |
| Capitalized leases | 420 | 213 | 187 | 894 | 669 | 436 | 197 | - |
| Loans payable | 8,767 | 8,367 | 8,367 | 7,967 | 7,567 | 7,167 | 6,767 | 6,367 |
| Bonds payable | 20,166 | 12,493 | 12,493 | 4,301 | - | - | - | - |
| TOTAL NON-CURRENT PORTION OF BORROWINGS | 29,353 | 21,073 | 21,047 | 13,162 | 8,236 | 7,603 | 6,964 | 6,367 |
| TOTAL BORROWINGS | 37,147 | 29,339 | 29,348 | 21,983 | 13,162 | 8,236 | 7,603 | 6,964 |

Peak Borrowings

| for the year ending March 31 (in thousands of dollars) | Actual 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|-----------------------------------------------------------|-----------------|-------------------|-------------------------|---------------|---------------|---------------|--------------|--------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| Capitalized leases | 1,505 | 625 | 634 | 404 | 1,123 | 894 | 669 | 436 |
| Loans payable | 9,567 | 9,167 | 9,167 | 8,767 | 8,367 | 7,967 | 7,567 | 7,167 |
| Bonds payable | 34,095 | 27,357 | 27,359 | 20,168 | 12,493 | 4,301 | - | - |
| PEAK BORROWINGS | 45,167 | 37,149 | 37,160 | 29,339 | 21,983 | 13,162 | 8,236 | 7,603 |

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 23-24 | Forecast 24-25 | Main Budget 24-25 | Budget | | | | |
|-----------------------------------------------------------|-----------------|-------------------|-------------------------|---------------|---------------|--------------|--------------|--------------|
| | | | | 25-26 | 26-27 | 27-28 | 28-29 | 29-30 |
| Capitalized leases | | | | | | | | |
| Opening balance | 862 | 623 | 634 | 404 | 1,123 | 894 | 669 | 436 |
| Maturities | (239) | (219) | (221) | (239) | (229) | (225) | (233) | (239) |
| New issuances | - | - | - | 958 | - | - | - | - |
| TOTAL CAPITALIZED LEASES | 623 | 404 | 413 | 1,123 | 894 | 669 | 436 | 197 |
| Loans payable | | | | | | | | |
| Opening balance | 9,567 | 9,167 | 9,167 | 8,767 | 8,367 | 7,967 | 7,567 | 7,167 |
| Maturities | (400) | (400) | (400) | (400) | (400) | (400) | (400) | (400) |
| TOTAL LOANS PAYABLE | 9,167 | 8,767 | 8,767 | 8,367 | 7,967 | 7,567 | 7,167 | 6,767 |
| Bonds payable | | | | | | | | |
| Opening balance | 34,094 | 27,357 | 27,359 | 20,168 | 12,493 | 4,301 | - | - |
| Maturities | (6,737) | (7,189) | (7,191) | (7,675) | (8,192) | (4,301) | - | - |
| TOTAL BONDS PAYABLE | 27,357 | 20,168 | 20,168 | 12,493 | 4,301 | - | - | - |
| TOTAL LONG-TERM BORROWINGS | 37,147 | 29,339 | 29,348 | 21,983 | 13,162 | 8,236 | 7,603 | 6,964 |

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

Risk Management

Risk Assessments and Impacts

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

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

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

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

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

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

FBCL Risk Assessment Matrix

| | | Likelihood | | | | |
|--------------------------------------------------|---------------|------------------------------------------|---------------|---------------|---------------|---------------------|
| | | What's the chance of the risk occurring? | | | | |
| Consequence How severe could the outcomes be? | | Rare 1 | Unlikely 2 | Moderate 3 | Likely 4 | Almost Certain 5 |
| | Severe 5 | 5 Moderate | 10 Major | 15 High | 20 Severe | 25 Severe |
| | High 4 | 4 Moderate | 8 Moderate | 12 Major | 16 High | 20 Severe |
| | Major 3 | 3 Low | 6 Moderate | 9 Moderate | 12 Major | 15 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 |

FBCL Risk Register

: Severe
 : High
 : Major
 : Moderate
 : Low
: Stable
 : Increasing Risk
 : Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Sustainability | Risk that financial instability may occur, due to a significant reduction in revenue generation (i.e.: reduced toll revenue), unexpected expenditures or mismanagement, which could lead to reductions in bridge operations, maintenance, bridge safety and security, jeopardizing our employees and clients. |   | <ul style="list-style-type: none"> Actively monitor and prioritize expenditures against budget; Manage corporate financial sustainability; Continually assess overall debt and explore potential solutions; Explore additional revenue opportunities, including business development and lease vacancy rate; Collaborate with CBSA to develop strategies for long-term CBSA facility cost management. |

: Severe
 : High
 : Major
 : Moderate
 : Low
: Stable
 : Increasing Risk
 : Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding of SIBC | Risk that the FBCL will not be provided appropriate levels of government funding in order to operate the SIBC crossing safely. This may occur at both the operational funding level or the long-term capital infrastructure level, both of which have the potential to inhibit the ability of the crossing to be maintained as a critical lifeline piece of infrastructure. |   | <ul style="list-style-type: none"> • Managing financial sustainability in the context of SIBC’s viability; • Continuously engage with GLS for governance/funding updates; • Prioritizing projects based on lifecycle study of the South Channel Bridge; • Secure future funding commitments; • Continuously briefing the Minister’s office on funding requirements and complexity. |
| External Forces | Risk that the FBCL is unable to deliver on its mandate due to changing economic cycles (e.g. market supply chain), social and political instability in both Canada and the U.S. This could result in significant impacts to operations, staffing and infrastructure investments across the portfolio. |   | <ul style="list-style-type: none"> • Monitor global issues and their potential impacts; • Engage in continuous consultation with local partners; • Actively monitor economic developments impacting traffic and revenue while prioritizing expenditures against budget; • Adapt risk management strategies as necessary; • Monitor matters with partners (MDOT, CBP, CBSA, etc). |

Severe
 High
 Major
 Moderate
 Low
 ↔: Stable ↑: Increasing Risk ↓: Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public and Asset Security | Risk that asset (bridge, buildings or plaza infrastructure) security may be compromised due to intentional acts such as terrorism, protests, vandalism, and criminal activities, which could lead to possible injury, loss of life and/or property damage. Furthermore, such a risk could lead to bridge closures, significant financial liabilities and loss of public confidence. | ↔ | <ul style="list-style-type: none"> • Monitor special interest groups, communications, and media reports; • Keep track of First Nations issues and port running occurrences at SIBC; • Investigate preventative measures for mental health-related incidents; • Maintain and update international bridges security plans; • Ensure excellent communication with bridge operators, partners, and local police forces; • Adhere to MOUs with Transport Canada regarding security measures, as per the <i>IBTA</i>. |
| Organizational | Risk that organizational threats may occur across the FBCL portfolio, due to structural or governance changes, a transition in executive leadership, underlying management, and labour performance difficulties and complications with bi-national partners, which could lead to an erosion of operational and financial performance. | ↔ | <ul style="list-style-type: none"> • Manage the financial sustainability and viability of SIBC; • Implement key policies such as financial delegation, banking, investments, procurement, code of values and ethics, and risk management; • Ensure FBCL succession plans are current and effective; • Remain current in governance and leadership matters of bi-national partners. |

: Severe
 : High
 : Major
 : Moderate
 : Low
: Stable
 : Increasing Risk
 : Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| People Safety | Risk that compromised people safety instances may occur, due to accidents, incidents, natural disasters, workplace injuries or major public health events, which could lead to possible injury, loss of life and/or property damage. Furthermore, such a risk could lead to significant financial liabilities and loss of employees and public confidence. |  ↔ | <ul style="list-style-type: none"> • Maintain updated Emergency Action Plans; • Liaise with law enforcement to proactively identify and address issues; • Maintain a comprehensive Health and Safety program; • Conduct ongoing employee safety training; • Control risks to personnel in line with public health advisories. |
| Asset Management | Risk that the FBCL is unable to suitably forecast and perform appropriate levels of ongoing maintenance and capital investment in order to ensure the longevity and safety of its bridge crossings. This could result in significant liability and decrease in public confidence in the organization's ability to be a trusted steward of its international crossings. |  ↔ | <ul style="list-style-type: none"> • Forecast capital requirement accurately; • Engage with government for adequate and timely funding; • Develop long-range capital investment plans. |

: Severe
 : High
 : Major
 : Moderate
 : Low
: Stable
 : Increasing Risk
 : Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reputation | Risk that negative public perception of the Corporation may occur, due to the inability to foster a positive and productive relationships with host communities, stakeholders and the public, which could lead to decreased credibility of the Corporation, difficulties in obtaining support and cooperation for initiatives and potentially, disruption to operations. |  ↔ | <ul style="list-style-type: none"> • Implement an active media engagement strategy; • Enhance liaisons with emergency services; • Manage public comments on Media channels; • Engage media for factual supplementing of articles; • Foster active stakeholder engagement; • Execute Community ConneXion charitable outreach activities to build positive local engagement; • Adhere to ATIP request timelines. |
| Cybersecurity | Risk that technology security compromises may occur, due to human error, unintentional consequences, equipment failure, natural disasters and deliberate attacks, such as cybercrime, which could lead to critical system failures, financial and reputational liabilities. |  ↔ | <ul style="list-style-type: none"> • Regularly update hardware and software as part of lifecycle management; • Ensure rigorous testing and management of releases; • Implement a clear change management program; • Conduct regular audits and manage access as per internal control policies. |

: Severe
 : High
 : Major
 : Moderate
 : Low
: Stable
 : Increasing Risk
 : Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fraud | Risk that fraud is committed due to intentional act(s) by one or more individual employees, which could lead to the loss of public funds or property, diminish employee morale, and undermine Canadians confidence in public services. |  ↑ | <ul style="list-style-type: none"> • Enforce Conflict of Interest procedures and Board attestations; • Conduct yearly review of the Values and Ethics Code; • Ensuring security monitoring and internal control policies in vulnerable areas; • Maintain an up-to-date Disclosure of Wrongdoing Policy. |
| Environmental, Social, and Governance | Risk that the FBCL has an investment gap (funding or resources) in sustainable development, including risks related to climate change, which could lead to damage to the bridge infrastructure and the environment, a negative public perception of the corporation, and the loss of public funds through claims against the corporation. |  ↑ | <ul style="list-style-type: none"> • Align strategies with the United Nations' 2030 Agenda for Sustainable Development and TCFD; • Implementation of ESG plans. |

: Severe
 : High
 : Major
 : Moderate
 : Low
: Stable
 : Increasing Risk
 : Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workforce Management | Risk that workforce management issues may occur, due to labour disruption, insufficient human resources, a lack of skilled employees, the lack of proper leadership and the lack of an appropriate compensation structure, which could lead to the inability to staff key positions, an increased and constant regrettable staff turnover, unsatisfied and non-engaged employees and an inability to effectively deliver or execute our mandate. |  ↔ | <ul style="list-style-type: none"> • Utilize innovative recruitment programs, such as local community recruiting events; • Provide regular training on harassment and violence prevention; • Prepare contingency plans for maintaining safe and secure operations during labour disruptions; • Maintain up-to-date labour plans and collective agreements; • Offer increased support to People Leaders; • Maintain proactive, timely and transparent communications. |
| Technology | Risk that technology solutions may be inaccessible or unusable due to third party interruptions or inadequate recovery actions which could lead to critical system failures, financial and reputational liabilities. |  ↔ | <ul style="list-style-type: none"> • Ensure continuous hardware and software updates; • Ensure proper testing and release management; • Create and maintain a clear change management program; • Audit and manage access effectively. |

Severe
 High
 Major
 Moderate
 Low
 ↔: Stable ↑: Increasing Risk ↓: Declining Risk

| | Risk Description | Inherent Risk | Mitigation Strategies |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Partnerships / Stakeholders | Risk that actions by partners and stakeholders may occur, due to environmental factors and business decisions, which could lead to a deterioration in our ability to meet business objectives and our public service obligations. | ↔ | <ul style="list-style-type: none"> Engage actively with key stakeholders and border partners; Maintain open and timely communications; Execute Community ConneXion charitable outreach activities to build positive local engagement; Participate in community events and meetings. |
| Competition | Risk that competition will impact the FBCL, due to the availability of competing international crossings or modes of transportation offering better pricing or route destinations, which could lead to a decrease in tolling and general revenue impacting overall financial sustainability. | ↔ | <ul style="list-style-type: none"> Monitor tolls at other crossings; Stay informed about the GHIB's progress; Develop an engagement strategy with key stakeholders, such as border partners. |
| Infrastructure | Risk that compromised infrastructure (bridge, buildings or assets) integrity instances may occur, due to accidents, incidents, natural disasters or capital cycle funding gap, which could lead to possible injury, loss of life and/or property damage. Furthermore, such a risk could lead to bridge closures, significant financial liabilities and loss of public confidence. | ↔ | <ul style="list-style-type: none"> Develop maintenance and repair programs based on regular inspection reports; Ensure compliance with bridge inspection requirements; Maintain continuous updates on maintenance progress; Engage with Transport Canada to communicate the need for capital funding. |

Compliance with Legislative and Policy Requirements

Official Languages Act, R.S.C., 1985, c. 31 (4th Supp.)

FBCL has assigned an Official Languages champion to monitor and promote the use of official languages within the Corporation. FBCL’s internal and public communications as well as its services to the public are available bilingually. The use of both official languages within the workplace interactions is very prevalent, particularly in Eastern Ontario regions where each language is well represented within the community. Annually, FBCL reports its findings related to languages to the Treasury Board Secretariat’s Official Languages Centre of Excellence. Over the course of the 2024 calendar year, no new compliance concerns were communicated to the Corporation.

Access to Information Act and Privacy Act

As part of a commitment to clear and transparent governance, FBCL and its subsidiary complete annual reports for submission to Parliament on the administration of the *Access to Information Act* and the *Privacy Act*. In addition, both corporations post monthly summaries of processed access to information requests. The annual reports and monthly summaries are available through the Open Government Portal. Over the course of the 2024 calendar year, eight (8) requests have been received by the Corporation and one (1) have been submitted to the subsidiary SIBC.

Pension Plan Reform Directive

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

Directive on Travel, Hospitality, Conferences and Event Expenditures

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

preparation and approval of expenses for reimbursement. FBCL's compliance with this policy is audited annually by the Office of the Auditor General.

FBCL publicly reports annual aggregate corporate expenses related to travel, hospitality, conferences and events expenses as well as publishes monthly the travel and hospitality expenses for the CEO, Board members and senior executives. This information is disclosed on [Open Government](#). 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.

Directive on Proactive Publication Under the Access to Information Act

The Directive aligns with the ongoing efforts to promote transparency and accountability within government institutions, reinforcing the importance of accessible and centralized information dissemination. The main change affecting Crown corporations is the implementation of the Open Government Portal as the prescribed method of proactive disclosure. In addition to the travel, hospitality, conferences and event expenditures, reports tables in Parliament are also included on [Open Government](#).

Trade Agreements

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

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

Other

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

Enabling legislation

- *Canada Business Corporations Act, RSC 1985, c C-44*
- *Canada Marine Act, SC 1998, c 10* and its regulation relating to SIBC
- *Economic Action Plan 2013 Act, No. 2, SC 2013, c 40*

Legislative requirements specific to bridges, border crossings, and required facilities

- *Bridges Act, RSC 1985, c B-8*
- *Customs Act, Section 6*
- *Health of Animals Act, Section 31*
- *Immigration and Refugee Protection Regulations, Section 271*
- *International Bridges and Tunnels Act, SC 2007, c 1*
- *Plant Protection Act, Section 20*

Other significant legislations

- *Access to Information Act, RSC, 1985, c. A-1*
- *Auditor General Act R.S.C., 1985, c. A-17*
- *Canada Labour Code, RSC 1985, c L-2*
- *Canada Transportation Act, SC 1996, c 10*
- *Commercial Arbitration Act, RSC 1985, c 17 (2nd Supp.)*
- *Conflict of Interest Act, SC 2006, c 9, s 2*
- *Corruption of Foreign Public Officials Act, SC 1998, c 34*
- *Financial Administration Act, RSC 1985, c F-11*
- *Federal Real Property and Federal Immovables Act S.C, 1991, c. 50*
- *Impact Assessment Act, SC 2019, c28, s 1*
- *Library and Archives of Canada Act, SC 2004, c 11*
- *Lobbying Act, RSC 1985, c 44 (4th Supp.)*
- *Official Languages Act, R.S.C., 1985, c. 31 (4th Supp.)*
- *Pay Equity Act, SC 2018, c.27, s 416*
- *Privacy Act, RSC 1985, c P-21*
- *Prompt Payment for Construction Work Act SC 2019, c.29, s 387*
- *Public Servants Disclosure Protection Act, SC 2005, c 46*

Government Priorities and Direction

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

Fight Against COVID-19

Throughout the pandemic, FBCL facilitated safe, secure international trade and efficient transit of people and goods, focusing on employee and public health and safety. The Corporation continues to follow the directions from the Government by remaining adaptable to evolving changes in order to best support the essential international trade corridors.

Cybersecurity

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

The FBCL network and infrastructure have undergone changes over the past few years and periodically has a fulsome assessment of its technology, configuration, documentation and processes. FBCL has a fulsome cybersecurity program with areas of focus including governance, risk management, technology and processes, workforce, business continuity and disaster recovery, and data and information management. This program recently underwent an internal audit to determine its resilience. The cyber security action plan takes into consideration the National Institute of Standards and Technology and ISO27001 cybersecurity frameworks as well as the Government of Canada security-related IT security risk management approach (ITSG33). As cybersecurity is ever evolving, FBCL continues to

mitigate cybersecurity risks through timely tracking and reporting processes detail in its Enterprise Risk Management profile.

Climate Change

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

FBCL shifted to align with the concept of ESG (see ESG section below), which consists of three areas that concentrate resources on the environmental sustainability, ethical, and governance performance of a corporation. As a public entity, FBCL is committed to further strengthening its ESG commitment by defining strategies to mitigate material ESG risks to acceptable levels. Various initiatives being implemented or contemplated for deployment include to:

- address actions stemming from a commissioned climate study with added procedures and proactive maintenance;
- finalize LED transition on remaining lights on the bridges and building infrastructure;
- install electric vehicle charging stations at all portfolio bridges;
- assess feasibility for the generation of green (solar, wind, etc.) energy at facilities;
- increase vehicle processing capabilities to result in shorter idling time;
- work with CBSA and U.S. CBP to improve traffic flow;
- reuse existing materials where feasible in new construction; and
- establish GHG reduction strategies with an aspiration towards becoming net zero by 2050.

FBCL disclosed in its 2023-24 Annual Report, its first TCFD. These focused on establishing its base year for scope 1 and scope 2 GHG emissions as well as disclosing climate risks and opportunities. The report went on to begin to disclose strategies and metrics that the organization is primed to engage. The Corporation continues to expand its TCFD report to include more details surrounding scope 1 and 2 as compared to the baseline year, scope 3 emissions, strategies and metrics.

Once a funding source has been identified, FBCL intends to improve the tolling facilities at the BWB location in order to reduce idling time and its associated impact on the environment as well as improve supply-chain traffic processing. Increases in vehicle processing results in shorter idling times and reductions in the production of GHG. Fuel typically accounts for over 40% of operational costs for commercial vehicles. For a commercial transport truck travelling three hours, a ten-minute reduction in travel time equates to roughly a 5% reduction in fuel consumption and associated emissions. FBCL's approach to traffic management aims to continuously improve vehicle throughput and to work with its bridge partners for consistency and improvements in their vehicle processing. CBSA and CBP also have a role to play in order to improve the flow of traffic at the border.

Indigenous Relationships

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

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

In Cornwall, there are historical agreements in place, varying interpretations of acquired rights and a land claim over the original expropriation of Akwesasne Reserve land for the construction of the crossing and other components of the Saint Lawrence Seaway. Notable within these land claims is a request

for the transfer of as much territory as possible to Indigenous control. These elements combined with North American current events that impact Indigenous communities make the Cornwall crossing particularly susceptible to operational impacts. FBCL is actively engaged in its support for the Crown's efforts to establish a definitive settlement agreement with the MCA regarding its land claims.

FBCL and its SIBC subsidiary maintain dialogue with the MCA on all major projects and on various operational matters to address identified issues. The Corporation has a Memorandum of Understanding in place with MCA for its projects that provides for the inclusion of minimum works to be executed by Mohawk contractors and workers. FBCL and its SIBC subsidiary in Cornwall have 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, the Crown-mandated free passage for members of the Mohawk community represents over \$7.5 million in uncollected revenue each year. This, combined with local economic factors, results in the Cornwall location operating at deficits, before government funding.

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. Over 75% of passenger vehicles and nearly 45% of commercial trucks making the crossing are Crown-mandated free passages. These rates have continued to increase over the past decade, and have heightened since the pandemic. This results in a cost level that is disproportionate to the subsidiary's revenue base. A new mechanism of funding support such as regular federal subsidies or alternate revenue sources will be required to ensure that deficits are prevented.

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

Additional to the items noted above, to improve Indigenous relationships, the Corporation:

- works with both the U.S. and Canadian federal governments to establish a new governance and funding mechanism for SIBC;
- maintains a strong level of Indigenous staffing at SIB;
- recognizes both National Indigenous Peoples Day and National Day for Truth and Reconciliation in various manners, including recognition as statutory holidays, illuminating SIB's historic bridge pier orange, and highlighting orange markings throughout the crossing including the brightly painted orange feathers located at the crosswalk;
- emphasizes the use of the Mohawk language by displaying English, French and Mohawk on SIB prominent signs as well introducing the Mohawk language to staff; and
- displays Indigenous artworks along the SIB corridor.

Equitable Workforce

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

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

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

All employees complete a Self-Identification Questionnaire to ensure as an employer FBCL understand its current workforce and is a central piece of FBCL's commitment to equity, diversity and inclusion. During fiscal year 2023-24, all employees completed a foundational training program in accessibility, diversity and inclusion and all people leaders completed accessible technology and communication training.

FBCL also promotes and engages discussion on diversity, inclusion and pay equity through a number of committees made up of employee, management and union representation including a Pay Equity Committee, Professional Development Working Group, Social Committee and a Joint Benefits Review Committee. These committees provide feedback on how to better support and leverage a diversity of skills, cultural experiences and further develop cultural competency. During fiscal year 2023-24, the Pay Equity Plan was published, FBCL launched a new Wellness Allowance for Employees to promote mental and physical health, and updated procurement policies to incorporate accessibility considerations, ensuring fairness and inclusivity in our operations.

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

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

FBCL and SIBC's relatively low volume of staff result in large swings of ratios when viewed in isolation. 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, Indigenous peoples, and persons with disabilities. 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 (2024) | SIBC (2024) | Federal Public Service as at April 1 2023 |
|------------------------------------------------|-------------|-------------|-------------------------------------------|
| Designated Groups | | | |
| Employees in regions | 87% | 100% | 57% |
| National Capital Region | 13% | 0% | 43% |
| Employment Status (permanent employees) | | | |
| Full Time | 86% | 71% | 82% |
| Part Time | 14% | 29% | 14% |
| Gender | | | |
| Employee Women | 49% | 46% | 56% |
| Executive Women | 40% | 0% | 53% |
| Leadership Women | 36% | 60% | 48% |
| Official Languages | | | |
| Indicate English as first language | 88% | 92% | 71% |
| Indicate French as first language | 12% | 8% | 28% |
| Self-Identification/BIPOC | | | |
| Indigenous Peoples | 5% | 71% | 4% |
| Persons with Disabilities | 13% | 0% | 5% |
| Members of Visible Minorities | 13% | 4% | 19% |

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

FBCL published its 2023-2026 Accessibility Plan in early 2023. This document identifies the priorities and activities that the FBCL will undertake by proactively identifying, removing, and preventing barriers to accessibility for its employees and customers. The corporation published its first annual

progress reports against this plan December 2023 and is progressing well in alignment with our priorities. This plan will be updated every three years as the corporation is committed to continuous consultation of people with disabilities and integrating the feedback received into future plans. The FBCL is strongly committed to a barrier-free Canada. The plan highlights our path forward. Within the plan FBCL has identified areas of focus that will be reported on which include employment, the built environment; information and communication technologies; other communications; the procurement of goods, services and facilities; and the design and delivery of programs and services.

Budget 2023

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

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

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

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

ESG Commitment

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

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

The scope of ESG at FBCL encompasses:

Environment

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

Social

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

Governance

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

Alignment With United Nations Sustainable Development Goals

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

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

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

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

Abbreviations

| | |
|----------|-----------------------------------------------------------|
| ATIP | Access to Information and Privacy |
| BIPOC | Black, Indigenous, People of Colour |
| BWB | Blue Water Bridge |
| CBP | Customs and Border Protection |
| CBCA | <i>Canada Business Corporations Act</i> |
| CBSA | Canada Border Services Agency |
| CEO | Chief Executive Officer |
| CFIA | Canadian Food Inspection Agency |
| CGLR | Great Lakes Region |
| ESG | Environmental, Social, and Governance |
| FAA | <i>Financial Administration Act</i> |
| FBCL | The Federal Bridge Corporation Limited |
| FSDS | Federal Sustainable Development Strategy |
| GBA Plus | Gender-based Analysis Plus |
| GHG | Greenhouse Gas Emission |
| GHIB | Gordie Howe International Bridge |
| GLS | Great Lakes Saint Lawrence Seaway Development Corporation |
| IBTA | <i>International Bridges and Tunnels Act</i> |
| IFRS | International Financial Reporting Standards |
| LED | Light Emitting Diode |
| MCA | Mohawk Council of Akwesasne |
| MDOT | Michigan Department of Transportation |
| MOU | Memorandum of Understanding |
| MTO | Ministry of Transportation of Ontario |

| | |
|-------|----------------------------------------------------|
| NTCF | National Trade Corridors Fund |
| OAG | Office of the Auditor General |
| OCI | Ontario Centre for Innovation |
| OVIN | Ontario Vehicle Innovation Network |
| PSPF | Public Service Pension Plan |
| RHFAC | Rick Hansen Foundation Accessibility Certification |
| S&P | Standards & Poor Global |
| SDG | Sustainable Development Goals |
| SIB | Seaway International Bridge |
| SIBC | Seaway International Bridge Corporation Limited |
| SSMIB | Sault Ste. Marie International Bridge |
| SWOT | Strengths Weaknesses Opportunities and Threats |
| TCFD | Taskforce on Climate-related Financial Disclosure |
| TIIB | Thousand Islands International Bridge |
| UNSDG | United Nations Sustainable Development Goals |
| UNWTO | United Nations World Tourism Organization |

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- 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.