



FEDERAL BRIDGE CORPORATION
SOCIÉTÉ DES PONTS FÉDÉRAUX

CORPORATE PLAN SUMMARY 2023 | 2028

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REBUILD & PROGRESS

Canada 



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Executive Summary

The Federal Bridge Corporation (FBCL or Corporation) is a bridge corporation enabling Canada's trade, tourism and bi-national interests with the United States. It is of acute national interest, enabling essential daily Canadian-U.S. trade, supporting its economies and guaranteeing resilience of the supply chain. While the world is struggling for a better outlook, FBCL continues to play a vital role in ensuring goods and people keep moving. This is done by remaining focused on the fundamentals: stewardship of the bridge structures, financial health and sustainability, critical bi-national relationships, as well as safety and security of assets and people.

The bridge portfolio includes 5 of its 10 structures that are markedly older than the 75-year serviceability standard, or approaching this critical baseline. Proactive maintenance and repairs are the only tools that enable the preservation and longevity of these assets. Annual investments in such works have been extensively curtailed due to lower revenues stemming from substantial traffic declines resulting from pandemic border restrictions and socio-economic factors as well the depletion of internal capital reserves. This is FBCL's highest risk, which if left unaddressed, would result in higher rates of degradation, increased security and safety concerns, and elevated climate impacts.

Additionally, a number of external factors are putting further strains on the Corporation. Some of these include recent high inflation rates, rising interest rates, exorbitant construction escalation costs, and a challenging labour market with upward pressure on remuneration. Pending bridge traffic market shifts expected in 2025 with the opening of the Gordie Howe International Bridge as a competitor, have been studied but the full detriment on the Corporation will not be known until it opens.

Recognizing pandemic mitigation measures, such as cross-border travel restrictions, dramatically reduced crossings at FBCL bridges, the Government allocated up to \$30.6 million of COVID-19 relief funding over three years starting in fiscal 2022-23. This is to enable FBCL to support the continued safe operation of the bridges within its portfolio, thus providing slight maneuverability for the short-term financial condition of FBCL. Major opportunities have also been identified by FBCL to strengthen its position and that of Canada's supply chain. It has proposed three major capital projects for funding consideration through the National Trade Corridors Fund (NTCF) to improve supply-chain traffic processing, rehabilitate infrastructure, and address challenges brought on by climate change.

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

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

FBCL also makes corporate responsibility a top priority. It has a strong reputation for corporate integrity, great team members, customer service, and community responsiveness. It is elaborating its Environmental, Social, Governance (ESG) Framework to further progress on this goal and meaningfully contribute to the mitigation of climate change.

Positively, in calendar 2022 independent third-party assessments continue to assert FBCL's mandate delivery excellence through:

- credit rating of A+, outlook stable from S&P Global Ratings;
- continued strong comprehensive bridge engineering inspection reports;
- positive Special Examination by the Office of the Auditor General; and
- unqualified opinion in its external financial audit and sound internal audits.

The Corporate Plan 2023-24 to 2027-28 is solid. Canada can count on FBCL to keep its international bridges safe, secure and well operated.



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*, the *Canada Business Corporations Act*, and its mandated articles, as amended from time to time, the capacities and powers of a natural person.

Vision

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

Mission

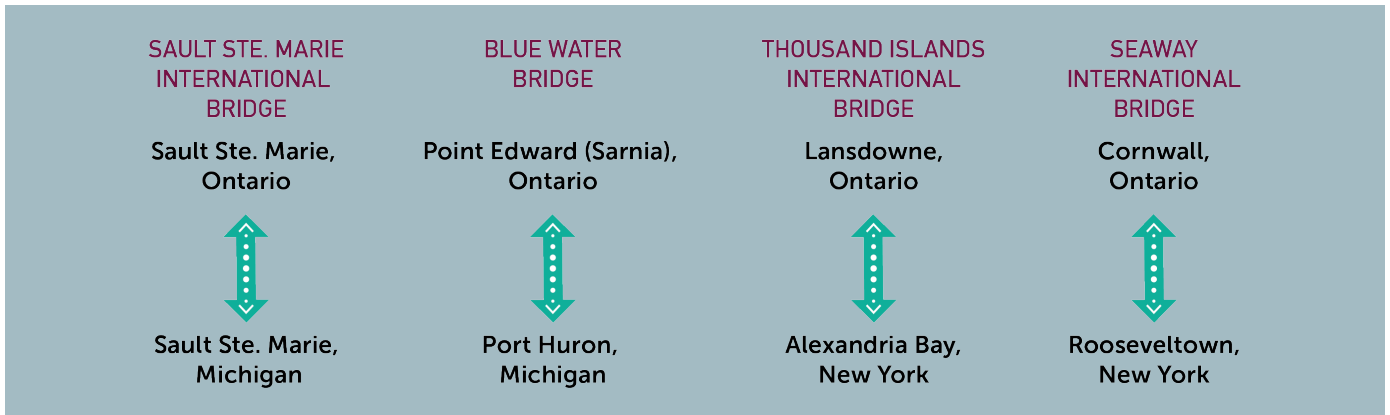
FBCL is a Crown corporation responsible for the oversight of Canadian federal interests in selected international bridge crossings between Canada and the United States.



Main activities

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

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



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

Most recent annual report

The latest tabled Annual Report (2021-22) is posted at www.federalbridge.ca/corporate-reports

Operating Environment

Internal environment

Human Resources	How we operate
<p data-bbox="168 373 217 401">120</p> <p data-bbox="230 411 834 680">Employees directly employed by FBCL and its subsidiary, The Seaway International Bridge Corporation, Ltd. (SIBC). Through the flexible employment of a range of employees, this equates to 113 FTE. Additionally during the summer months, an additional 29 employees, equivalent to 17 FTE, are anticipated.</p> <p data-bbox="230 716 834 783">Staff at the TIIB and SSMIB are employed by FBCL's American partners.</p> <p data-bbox="230 819 834 1167">With impacted revenues due to COVID-19 restrictions, the strategy over the previous three fiscal years was to temporarily suspend new position hiring. Over the course of the pandemic, staff have been dynamically reassigned internally to accommodate short term functional requirements. FBCL will be staffing targeted positions on a permanent basis as it makes progress on its financial recovery.</p> <p data-bbox="168 1194 358 1222">Talent retention</p> <p data-bbox="230 1234 834 1344">FBCL is committed to investing in our people by the provision of training, development opportunities and a positive work-life balance.</p> <p data-bbox="168 1371 358 1398">November 2023</p> <p data-bbox="230 1411 834 1562">Public Service Alliance of Canada (PSAC) Local 501 collective agreement renewal date. FBCL and PSAC (representing approximately 40 employees) expect to engage in bargaining in advance of this date.</p> <p data-bbox="168 1589 331 1617">Pension plans</p> <p data-bbox="230 1629 834 1780">Employees of FBCL participate in a defined contribution pension plan. SIBC employees are covered by the defined benefit Public Service Pension Plan (PSPP).</p>	<p data-bbox="915 373 1520 562">FBCL's mission is to oversee Canadian federal interests in selected international bridge crossings between Canada and the United States and the company delivers on its mission through the five pillars below:</p> <p data-bbox="915 598 1520 749">An organization operating with a mandate of a portfolio of international bridges, delivered through a management approach focused on providing excellent customer service;</p> <p data-bbox="915 785 1520 936">Stewardship of the bridge assets under its responsibility, focused on safety and security through a program of independent inspections, and appropriate capital and maintenance programs;</p> <p data-bbox="915 972 1520 1123">Effective use of technology, utilizing common platforms to ensure efficiency of operations and accuracy of information, managed in a manner that limits associated risk and cost;</p> <p data-bbox="915 1159 1520 1310">Sustainability of operations, maintenance and administration through a shared revenue approach, prioritized investment, toll optimization and cost containment; and,</p> <p data-bbox="915 1346 1520 1455">Sound governance of the Corporation, through an optimized structure, the required capacity and skills, and strong relationships with stakeholders.</p>

External environment

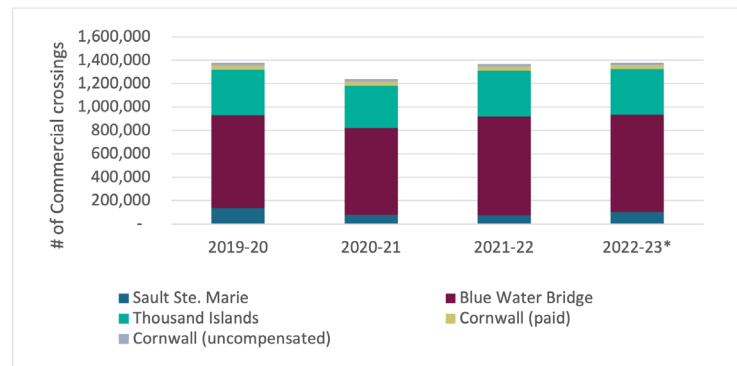
INTERNATIONAL TRAFFIC MIX AT FBCL'S CROSSINGS

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

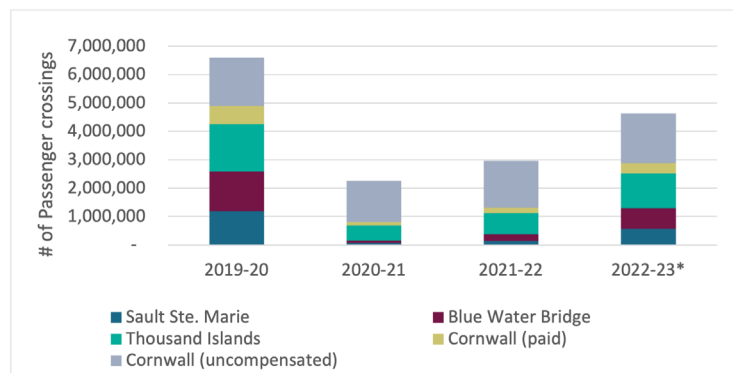
Blue Water Bridge (BWB)	Thousand Islands International Bridge (TIIB)
<p>35 - 40% commercial vehicles</p> <p>60 - 65% passenger traffic</p> <p>This is the second busiest commercial bridge crossing in the country.</p> <p>This crossing provides Canada a proven, reliably strong crossing for commercial vehicles across the Great Lakes in the southwestern part of the province. It provides a critical redundancy for Canada's trade routes due to its geographic separation from the Windsor area. The connectivity on both sides of the international border to major highways helps to move goods and freight between the two countries. Passenger traffic is made up primarily of cross-border tourists, family connections and retail shoppers.</p>	<p>20% commercial vehicles</p> <p>80% passenger traffic</p> <p>Strongest commercial crossing in Eastern Ontario.</p> <p>This is due to the major highway connectivity on both sides of the border and bolstered by significant recent investments in border customs facilities by both the Canadian and U.S. federal governments. Passenger traffic at this location has a strong base of local traffic who live in and around the Thousand Islands. It is also supported by strong seasonal tourist volumes, as a gateway either into New York state, or Eastern Ontario, and for snowbird traffic to warmer winter climates.</p>
Sault Ste. Marie International Bridge (SSMIB)	Seaway International Bridge (SIB)
<p>10% commercial vehicles</p> <p>90% passenger traffic</p> <p>Very high dependence on local passenger traffic.</p> <p>This crossing is the only vehicular crossing from Ontario to Michigan within some 1,000 kilometers. The closely tied communities of both sides of the border necessitate this bridge to ensure the region continues to stay connected. Sault Ste. Marie is the largest international trade crossing in northwestern Ontario, with trade volumes being in the billions of dollars annually. The international bridge connects to the Trans-Canada Highway and is a convenient route for goods transported from northeastern and eastern Ontario, and from Quebec to the Upper Great Lakes states. The crossing is connected directly to the major north-south artery I-75 and to the Michigan Highway 28, which runs south of Lake Superior into Wisconsin and Minnesota.</p>	<p>30% paid crossings, made up of:</p> <ul style="list-style-type: none"> • 7% commercial vehicles • 93% passenger traffic <p>70% Crown-mandated free passage, made up of:</p> <ul style="list-style-type: none"> • 1% commercial vehicles • 99% passenger traffic <p>The SIB welcomes over 1.7 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. The revenue impacts of COVID-related border restrictions affected this location the most.</p>

PANDEMIC EFFECTS

Commercial: Commercial traffic dropped in the early stages of the pandemic, but rebounded by the Fall of 2020 and have been steady since.



Passenger: Since the latter half of 2021, the Canadian and U.S. federal governments have slowly repealed border restrictions for nonessential traffic. In fiscal 2021-22 passenger vehicles were still 75% lower than pre-pandemic levels, whereas in 2020-21, it was 85% lower. With COVID-19 testing requirements largely lifted on April 1, 2022, the first two quarters of fiscal 2022-23 were still approximately 40-50% lower than pre-pandemic. With other border restrictions removed at the Canadian border on October 1, 2022, further improvements in traffic have been noted, however, as at Q3 2022, overall portfolio traffic still remains some 30% lower than pre-pandemic volumes. In Cornwall, the uncompensated crossings linked to Crown-mandated free passage have continued at approximately the same volume as pre-pandemic levels.



*denotes forecasted volumes as at 30.9.22

LOOKING FORWARD

Commercial: Commercial volumes are expected to remain consistent with prior years, excluding the early impacts from the pandemic. There is a risk of volatility as the economic outlook in Canada and the United States indicate a downturn and possibility a recession, and the demand for consumer goods movement drops with demand.

Passenger: Across the portfolio, the Corporation's forecast assumption is that volumes will start the fiscal year approximately 65% - 70% of pre-pandemic volumes and will be recuperating to approximately 85% within 18 months. This is the new volume benchmark that FBCL expects going forward. Increasingly with time passing, a full return to a "pre-pandemic normal level of traffic" may actually never occur, as was the case post-9/11 (those border restrictions were only a matter of a few days) due to the perceived onerous border processes.

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

Current existing external environment	External environment projected over the planning period
<p>Competitors</p> <p>The Blue Water Bridge has robustly established itself as the second busiest land commercial crossing between Canada and the U.S 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. The value to Canada of this crossing was evidenced during the blockade of the Ambassador Bridge in February 2022.</p> <p>The TIIB and SIB locations compete with the Ogdensburg-Prescott International Bridge, which operates under a different, privatized, business model, using an aggressive toll rate strategy. This can be done, in large part, due to this location not being subject to restrictive and costly Section 6 requirements under the <i>Customs Act</i>. This competitive tolling approach heavily constrains FBCL’s flexibility in dealing with toll rate elasticity and rate management along the St. Lawrence Seaway.</p> <p>The SSMIB crossing is the only vehicular crossing from Ontario to Michigan within a 1,000 kilometre radius and as such there is limited competition for this bridge location.</p>	<p>The introduction of the new Gordie Howe International Bridge and, potentially, a proposed replacement to the Ambassador Bridge are not anticipated to have a significantly material effect on passenger transits at the Blue Water Bridge. This is not accurate for highly lucrative long-haul transport trucks. While it is expected to remain the option of choice for western and southwestern tractor trailers, an important disruptive cycle to Blue Water Bridge’s commercial traffic is anticipated. A new status quo is not expected to be established in the region for at least five years following the opening of the new bridge(s), now projected for 2025.</p> <p>There are no changes expected affecting the TIIB, SIB, and SSMIB locations. However, the continuing and sustained loss of commercial traffic in Sault Ste. Marie, stemming from the COVID-19 border restrictions, is concerning. This will create further difficulty for this crossing to achieve self-sufficiency</p>

Current existing external environment

External environment projected over the planning period

Technological and security infrastructure changes

A reputation for speed and ease of crossing is the single most important factor affecting crossing choice for non-local travellers and commercial goods transporters.

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

The Blue Water Bridge'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 through. Additionally, the plaza is adjacent to the St. Clair River that is at historical level highs and is prone to flooding and requires a completely new drainage plan to maintain comprehensive service.

Bridge users, like many consumers in North America, are quickly advancing towards the use of non-cash modes of payment. To ensure ongoing efficiency of operations, FBCL must remain responsive with its adoption of relevant technologies. FBCL collaborated with the Michigan Department of Transportation in the implementation of a next generation toll management system. The shared project helped to reduce overall acquisition and maintenance costs as well as facilitate interoperability of frequent crossing account users on both sides of the Blue Water Bridge as well as the SSMIB. The legacy token program at the Blue Water Bridge has been phased out.

An IT lab, at the Blue Water Bridge, complements the needs of the crossing and allows for continual testing and maintenance of systems to occur, without the need to interrupt traffic.

FBCL continues to work with border agencies to work on various projects such as eGates and land border modernization in order to improve the efficiency of all international land border crossings.

Additionally, FBCL is forging relationships to prepare for the future. The Ontario Vehicle Innovation Network (OVIN), a division of the Ontario Centre for Innovation (OCI), is partnering through an MOU with FBCL to identify opportunities to introduce new technology and prepare for the future mobility and cross-border movement of goods and people. FBCL is also a founding member with the Council of the Great Lakes Region (CGLR) to create the Bi-National Great Lakes Border Trade and Supply Chain Alliance. This will bring academia, industry, and government together in a bi-national forum to discuss, design, and identify regional solutions that will facilitate and grow the secure movement of goods and people across the international border.

The Blue Water Bridge 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 wait times thus reducing current existing bottlenecks and climate impact by reducing idle times. FBCL has requested funding under the NTCF to see this project through.

Further requests for NTCF funding have been put forward by the Corporation to help alleviate supply-chain bottlenecks, improve infrastructure, and address climate change evidence at the SSMIB and TIIB locations.

Current existing external environment	External environment projected over the planning period
<p>Environmental changes</p>	
<p>As part of its asset management objectives, the Corporation has completed a weather and climate change impact assessment study to identify and quantify the Corporation’s vulnerabilities and risk areas resulting from environmental factors. FBCL is currently assessing how it will be able to financially implement solutions in different areas.</p> <p>Currently the Blue Water Bridge Corporate Center has been LEED (Leadership in Energy and Environmental Design) Silver certified since June 2015. The majority of the external lighting at all bridge locations have been updated to energy efficient light emitting diode (LED) bulbs.</p> <p>FBCL is shifting to augment its ESG responsibilities, with increased focus on Sustainable Development Goals. As a public entity, FBCL has already incorporated many key ESG themes in its strategy, operations, and reporting throughout the years, although not labelled as such.</p>	<p>Currently FBCL is building its ESG framework to identify material ESG factors that present the most significant risks over its planning periods, as well as define strategies to mitigate these risks to an acceptable level.</p> <p>FBCL will be developing its climate-related financial risk disclosure as established by the Task Force on Climate-related Financial Disclosure (TCFD), to be ready for reporting in the 2023-24 Annual Report.</p> <p>In addition to past actions, the Corporation aims to increase its green presence and is developing its climate change action plan. Various initiatives being implemented or contemplated for deployment include to:</p> <ul style="list-style-type: none"> • address action plan stemming from climate study with added procedures and proactive maintenance; • complete Greenhouse gas inventory studies; • Finalize LED transition on remaining lights on the bridge 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; and, • work with CBSA and U.S. Customs and Border Protection (CBP) to improve traffic flow (such as a bi-national Secure Corridor and expansion of CBSA e-Gates). <p>Initiatives that support GHG emissions reductions, and other capital intensive projects remain a priority. FBCL is exploring all funding opportunities and options to see this through due to limited operational revenue and a decimated capital reserve.</p>

Current existing external environment

Economic indicators

Government decisions directly affect FBCL's operations with the most notable decision being the enforced strict rules eliminating substantially all nonessential cross-border travelling commencing in the latter half of March 2020 due to the pandemic. The easing of restrictions started in August 2021 but it was not until October 2022 that restrictions were lifted coming into Canada. Even with the lifting of restrictions, passenger volumes are still significantly below pre-pandemic volumes. The United Nations World Tourism Organization (UNWTO) predicts that by the end of 2022, international tourist travels will only reach 63% to 76% of pre-pandemic levels, depending on evolving circumstances, mostly changing travel restrictions, the evolution of the pandemic and mounting economic challenges.

Soaring inflation rates have hit Canadians hard. With rates hitting in excess of 8% in mid-2022, Canadians have not seen rates like this since the 1980's.

Currency exchange rates directly influence the value of goods being imported or exported as well as whether individuals will travel. Exchange rates rose to an average of 1.34 in 2020 and dropped to an average of 1.25 in 2021. However, in 2022, the exchange rate has risen to as high as over 1.40.

External environment projected over the planning period

In unprecedented times, it is difficult to determine if restrictions will be reintroduced. In addition, the high inflation rates have raised the costs of most items in the shopping baskets of consumers, limiting the cross border shopping trips on both sides of the border. Inflation rates expected over the planning period could escalate as high as 9%.

An exchange rate of 1.40 is expected in 2023-24, 1.30 in 2024-25, and 1.25 in 2025-26 to 2028. This indirect increase in the cost of items for Canadians will again constrain the cross border trips of Canadians, by far the biggest users of the Canada-U.S. border.

By definition, Canada and much of the world was already in a recession midway through 2022. The length and effects of this recession are not well known at this point. However, this will have a direct effect on FBCL, both with passenger and commercial trucking vehicles.

For the planning period, it is assumed that at the start of 2023-24 fiscal year passenger volumes will begin at 65% - 70% of pre-pandemic volumes, and rise to 85% over the next 18 months. This is currently expected to be the "new normal" level of passenger traffic at the border. It is anticipated that commercial volumes, which were only temporarily affected by COVID-19 restrictions, will continue to be in line with pre-pandemic volumes.

Current existing external environment	External environment projected over the planning period
Outstanding legal issues or actions	
<p>The Corporation is named as a defendant jointly and severally with its wholly owned subsidiary corporation, SIBC, and the Crown in regards to a land claim litigation at the SIB Crossing. The Attorney General of Canada has assumed responsibility to defend against the claim.</p> <p>FBCL is committed to a favourable settlement for all parties.</p>	<p>Over the planning period, FBCL is anticipating the completion of the Crown’s long-standing land claim litigation with the Mohawks of Akwesasne through a favourable settlement for all parties.</p>

Compliance with Authorities

MINISTERIAL DIRECTIVES

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.

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

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

With regards to the fight against COVID-19, FBCL facilitates safe, secure international trade and efficient transit of people and goods, focuses on employee and public health and safety and improved facilities sanitization. FBCL 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 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 implements mitigating measures (which include yearly program reviews), adequate ransomware insurance, and continuous employee awareness. Upon any finding of inadequate data integrity standards, the Corporation sets up action plans to deal with the observations quickly.

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. Currently FBCL is assessing its ESG framework to identify material ESG factors that present the most significant risks over the short, medium, and long terms as well as defining strategies to mitigate these risks to an acceptable level and will seek any funding opportunities to implement these strategies.

Moving of goods and people: FBCL implemented a new tolling system in 2022 at two bridge locations, Point Edward and Sault Ste. Marie. The new tolling system has significantly reduced the commercial truck idling time, recognizing that idling time is the biggest contribution to GHG emissions. Currently FBCL has three submissions under the NTCF, which strive to reduce and prevent bottlenecks in Canada’s transportation network and ease traffic flow between Canada and the United States.

Reconciliation efforts: Over the planning period, FBCL is anticipating the completion of the Crown’s long-standing land claim litigation with the Mohawks of Akwesasne through a favourable settlement for all parties. To improve Indigenous relationships, the Corporation also:

- Collaborates with the community including supporting environmental protection of the lands and waterways adjoining bridge facilities;
- Maintain dialogue with the MCA on all major projects and on various operational matters;
- Provide Crown-mandated free passage for members of the Mohawk community at the SIB;
- Work with both the U.S. and Canadian governments to establish a new governance and funding mechanism for SIBC; and
- Respect of the region’s history and establish protocol for consultation for certain projects with the Aamjiwnaang First Nation, at the Blue Water Bridge.





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. It also ensures compliance, per the Accessible Canada Act, to help make the transportation system more accessible for persons with disabilities. In FY20-21, FBCL completed and obtained the Rick Hansen Foundation Accessibility Certification (RHFAC), making the Blue Water Bridge the first and only land border crossing in Canada to achieve this distinguished award. 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.

Strategic land exchanges

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

Special examinations and audits

Over the course of fiscal 2021-22, the Office of the Auditor General conducted its first special examination of the post-amalgamation FBCL. The final report was approved by the Board of Directors in March 2022 and was tabled in Parliament in May 2022. The findings of the report were very positive for the Corporation and are a further source of pride for FBCL and its employees who put in the work every day to ensure it is serving the needs of Canadians in the highest respects. In its report, the OAG concluded that they found no significant deficiencies for FBCL and that the Corporation manages its bridge assets and operations well. The audit covered topics such as corporate governance, strategic planning, corporate risk management practices, management of bridge assets and bridge operations of the company. The OAG was able to identify areas of suggested improvement for the Corporation, many of which were areas already underway but not yet complete. The following is the list of areas of improvements identified during the special examination as well as the timeline (as submitted to the Standing Committee on Public Accounts of Canada) and status for each observation:

Special examination Recommendation	Corporation Response	Timeline	Status
<p>The Corporation should ensure that the board receives complete reporting on compliance with legislative authorities and results of conflict-of-interest processes, to support effective board oversight and decision-making.</p>	<p>Agreed. The Corporation's Board of Directors currently receives compliance reporting on key authorities. The Corporation has contractual relationships with bi-national entities and bridge operators for the operation of specific international bridges that govern the nature of the relationship and the obligations of each party per applicable laws, diplomacy and governance considerations. These agreements are subject by the Corporation to independent third-party audits per negotiated bi-national agreements. Subject to these agreements, the Corporation commits to conducting a review of the reporting to the Board of Directors on applicable legislation relevant to the Corporation within the 2022-23 to 2026-27 planning period. In its oversight of conflict of interest, the Corporation has formal policies, internal controls and targeted activities in place to protect its interests. The Corporation has established a reporting by exception framework through the Chief Executive Officer (CEO) to the Board of Directors. The Corporation commits to reviewing its conflict of interest reporting practices within the 2022-23 fiscal year, with an aim to continuous improvement.</p>	<p>Legislation response: March 31, 2026 Conflict of Interest response: March 31, 2023</p>	<p>On target</p>
<p>The Corporation should formalize its information requirements with the bridge operators in its 3 binational bridge partnerships.</p>	<p>Agreed. The Corporation agrees that there is benefit to an increased formalization of detailed information requirements that support the agreements in place at its crossings. The Corporation will review all information exchanges linked to each agreement in place for enhanced documentation by the end of the 2023-24 fiscal year.</p>	<p>March 31, 2024</p>	<p>On target</p>
<p>The Corporation should define specific targets and time-bound milestones for the performance indicators related to its strategic objectives.</p>	<p>Agreed. The Corporation resolves to review its performance targets and objectives methodology to enhance information for users and include these revisions in the Corporate Plan for 2023-24 to 2027-28 as well as in the 2023-24 Annual Report.</p>	<p>June 30, 2024 (pertaining to 2023-24 Annual Report)</p>	<p>On target</p>
<p>The Corporation should establish performance indicators and targets that directly address its mandate that its international bridges and associated structures be safe and efficient for users.</p>	<p>Agreed. The Corporation agrees that performance indicators and targets are important measurements of its achievement of the mandate and resolves to review its methodology to enhance information to users and include these revisions in the corporate plan for 2023-24 to 2027-28 as well as in the 2023-24 annual report.</p>	<p>June 30, 2024 (pertaining to 2023-24 Annual Report)</p>	<p>On target</p>
<p>The Corporation should integrate environmental and sustainable development risks into its risk management processes in order to identify, mitigate, monitor, and report on its environmental and sustainable development risks.</p>	<p>Agreed. The Corporation has long-established and responsible environmental and socially responsible practices and processes embedded into all of its bridge operations and major capital projects. The Corporation's Board of Directors began training on ESG frameworks in 2018, and most recently in 2020-21, a comprehensive climate change study across its entire portfolio was performed. In October 2021, the Corporation has initiated a strategic process to integrate all sources of current information and activities into a formal ESG framework. Once the modern framework is in place, the Corporation will reassess its risks and mitigation measures as part of its enterprise risk management program. A target date of the end of fiscal 2023-24 is set for completion of all related documentation.</p>	<p>March 31, 2024</p>	<p>On target</p>

<p>The Corporation should document, in its risk register, mitigation measures for all risks, including those it has assessed as having effective risk management in place.</p>	<p>Agreed. The Corporation agrees that the risk register should include mitigation measures for all risks, including those not currently reported to the board, and shall review the manner of documentation of such reporting by the end of the 2022-23 fiscal year.</p>	<p>March 31, 2023</p>	<p>On target</p>
<p>The Corporation should complete its development of a digitized asset inventory and database system to track and analyze bridge and related structure data.</p>	<p>Agreed. The Corporation is proud of the quality of its asset management practices as demonstrated through the results of its annual independent inspections of its bridges and facilities. The Corporation supports the view that the completion of the digitization of its asset inventory will be a valuable tool that will supplement existing quality asset management practices, and will allow continuity in the effective delivery of its mandate. Since 2015, the Corporation has been actively engaged in the modernization of its asset maintenance planning and workflows to best inform and execute on future works. An asset management program was designed and implementation initiated. Most recently (in September 2021), the conversion of asset information to electronic documentation of its assets through a geographic information system was initiated and has provided immediate results. Further investments are subject to the critical financial impact of the reduced traffic due to the ongoing COVID-19 border restrictions. The ultimate strength and timing of the recovery of cross-border traffic will guide when this comprehensive program can be fully realized.</p>	<p>Normally, 5-10 years, with continuous investment. Current timing is undetermined, due to the detrimental and long-lasting fiscal effects of the pandemic on international bridge revenues and funding availability.</p>	<p>On target</p>

On a three-year cycle, the Corporation conducts a risk-based audit plan, performing internal audits on a broad set of topics. The 2018 to 2020 audit cycle focused primarily on Finance policies and processes post amalgamation while the 2021 to 2023 cycle has focused on aspects including Information Technology, Security, Infrastructure, Finance and a review of all significant Corporate and Administrative policies. Additionally, the Office of the Auditor General conducts annual fiscal audits and there are presently no outstanding findings.

Objectives, Activities, Expected Results & Performance Indicators

SWOT Analysis

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

STRENGTHS

- Strategic locations, particularly Blue Water Bridge
- Excellence in planning and capital project delivery for long-term viability of bridge and related infrastructure
- Experienced leadership, committed and capable staff
- Effective performance, risk measurement and management
- Positive support from the Crown and goodwill in user communities
- Partnership and collaboration with engaged and responsive organizations
- Up to date and tested cybersecurity processes and solutions to protect FBCL data
- Value for money achieved through proven robust procurement controls

WEAKNESSES

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

EXPIRING TERMS AND TERM LIMITS
OF CEO AND BOARD DIRECTORS

OPPORTUNITIES

- Funding support to facilitate the immediate realization of critical deferred capital works and major rehabilitation of primary bridge elements
- Establishment of a new governance framework for SIBC with U.S. partner, GLS, that takes into consideration foregone revenue for Crown-mandated free passage
- Completion of the Crown's long-standing land claim litigation with the Mohawks of Akwesasne through a favourable settlement for all parties
- Financial support to eliminate debt
- Growth opportunities such as revenue diversification and integration with other international bridges
- Alignment to Government of Canada aspirations for climate change reductions through a formal ESG framework.

THREATS

- Continually changing restrictions on cross-border travel due to pandemic
- Increased competition, particularly from new Windsor-Detroit international bridge
- Highly dependent on macroeconomic factors, exchange rates and political decisions
- Higher than normal inflation and sector escalation rates for construction materials and labour driving higher capital needs
- Climate change has direct impact on infrastructure integrity and operational cost
- Three of four bridges are dependent on passenger traffic and therefore dependent on changes in travel behaviours
- Ability to easily and quickly recruit in specialty fields by locations as a result of the pandemic

Facilitated

C\$125B

in Trade
(Oct'21 – Sept'22) Average C\$98B
in 3 years pre-pandemic

- 4** international bridge crossings
- 10** individual bridge structures
- 20** major buildings
- >7,500** infrastructure components

VITAL REVENUE AND TRAFFIC

~\$38M	REVENUE SHORTFALL CREATED SO FAR AS A RESULT OF PANDEMIC BORDER RESTRICTIONS
\$19M	Government funding to support FBCL so far during pandemic
102%	Commercial Traffic Throughput compared to pre-pandemic (for the six months ending Sept'22)
58%	Passenger Traffic Throughput compared to pre-pandemic (for the six months ending Sept'22)

Strong sensitivity to border restrictions affect all international bridges to differing levels. Full recovery in the planning period is unlikely.

Bridge Operations (2023-24)

120 Employees*	<p>38% Unionized 62% Non-represented 100% Diversity Goal Achievement</p> <hr/> <p>3 bi-national partners</p>
\$33M Operating Budget	Prudent spending on essential needs and started to catch up on deferred works.
\$9M Capital Budget	<p>Key projects enhance</p> <ul style="list-style-type: none"> - bridge safety - bridge rehabilitation - asset management

Key Successes

- 1** Upheld bridge operations with partners through pandemic and through national emergency
- 2** Positive bridge inspection results
- 3** Strong financial management evidenced by improving credit rating A+ (outlook stable)
- 4** Successful deployment of a new toll system
- 5** Operating and governance prudence as reflected by results Special Exam

*Corporation and subsidiary

Capital Projects

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

Blue Water Bridge

Project cost: total \$290M, including \$84M (FBCL funded) previously incurred pre-pandemic

Thousand Islands International Bridge

Project cost: \$31M

Sault Ste. Marie International Bridge

Project cost: \$6M, including \$0.5M (FBCL funded) previously incurred pre-pandemic

Seaway International Bridge

Project cost: \$25M

NTCF application (pending approval):

Upgrade of the plaza for improved efficiency and throughput of traffic, reducing idling, waiting times, and greenhouse gas emissions. Focus on the movement of commercial goods across the border, next-generation technologies to improve traffic management, customer relationship, and greening of operations.

FBCL & appropriation funding:

Across both bridge spans at the location, will ensure structural rehabilitation of bridges and resurfacing to enable safety and security improvements.

NTCF application (pending approval):

Improvement to technological infrastructure, providing security and traffic flow advancements, and key replacement of aged maintenance facilities.

FBCL & appropriation funding:

Replacement of key bridge maintenance items including stay cable replacement, main cable protection, deck rehabilitation and bearing replacement.

NTCF application (pending approval):

Fundamental enhancements to bridge infrastructure to allow uninterrupted year-round access for commercial vehicles.

FBCL & appropriation funding:

Essential bridge maintenance to prolong bridge life and ensure safe and secure crossings for the public. Required renewal of decades-old equipment essential for bridge operations.

Gateways and Border Crossing Fund (approved):

Relocation of maintenance and administration facilities

Corporate Strategic Goals

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

SUSTAIN ASSETS, INFRASTRUCTURE AND OPERATIONS

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

Outcome Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient	Strategies <ul style="list-style-type: none"> -Use internal and external capital funding judiciously to extract highest value for Canadians -Develop and implement detailed project plans -Complete annual bridge inspections -Expand Asset Management Program 	Milestones <ul style="list-style-type: none"> Execute vital BWB Rehabilitation works Replace necessary cables on the TIB and SCB Complete required TIB repairs Submit annual bridge inspection reports to Transport Canada Advance the Asset Management Program to: <ul style="list-style-type: none"> -Assess underground utilities -Digitize the asset inventory, and -Measure key service levels
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Objective: Delivering optimal traffic flow through appropriate levels of service

Outcome Traffic flow is improved and reduces idling time	Strategies <ul style="list-style-type: none"> -Use of new toll collection system functionalities -Further analyze wait times, identify bottlenecks, and establish action plans to address -Establish GHG baselines 	Milestones <ul style="list-style-type: none"> Update toll rate strategy focused on ConneXion program enhancement Complete GHG study
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Outcome Partner and stakeholder relationships are fortified and portfolio integration is expanded	Strategies <ul style="list-style-type: none"> -Proactively engage partners and stakeholders to discuss mutually beneficial objectives 	Milestones <ul style="list-style-type: none"> Align capital rehabilitation work at BWB and TIB with partners Support establishment of CBSA eGate and potential for bi-national Secure Corridor Concept at Blue Water Bridge Initiate creation of Smart Corridor Concept
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ENSURING ADAPTABLE SCALABILITY

Objective: Prioritizing risk		
<p>Outcome Environmental stewardship and resiliency is expanded</p>	<p>Strategies -Elaborate ESG framework and performance indicators</p>	<p>Milestones Develop ESG Framework including: -Defining current carbon footprint; and -Establishing performance indicators Complete TCFD disclosure requirements in the Annual Report</p>
Objective: Optimizing business operations		
<p>Outcome Technological infrastructure is stable and secure</p>	<p>Strategies -Complete, implement and monitor the cybersecurity action plan -Implement and monitor the IT action plan</p>	<p>Milestones Maintain secure systems and infrastructure Continue successful testing of IT network resiliency</p>
<p>Partner and stakeholder relationships are fortified and portfolio integration is expanded</p>	<p>Strategies Work alongside Government to advance settlement of SIBC objectives</p>	<p>Milestones FBCL and SIBC execution of settlement agreement pending referendum approval. Execute on resolution to the governance structure of SIBC</p>
<p>Outcome Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient</p>	<p>Strategies - Complete annual bridge inspections -Develop and implement detailed project plans -Review all options (internal and external) to ensure capital and maintenance projects are feasible</p>	<p>Milestones Execute vital BWB Rehabilitation works Replace necessary cables on the TIB and SCB Complete required TIB repairs Submit annual bridge inspection reports to Transport Canada Initiate numerous projects designed to improve commercial traffic flow at BWB, SSM, and TIB, if funded through NTCF application</p>

OPTIMIZE FINANCIAL SUSTAINABILITY

Objective: Diversify revenue and growth		
Outcome FBCL is financially sustainable	Strategies <ul style="list-style-type: none"> - Apply for government programs that will allow for revenue diversification and growth through expanded infrastructure options - Use of new toll collection system functionalities 	Milestones Update toll rate strategy focused on ConneXion program enhancement
Objective: Control of robust financial operations		
Outcome FBCL is financially sustainable	Strategies <ul style="list-style-type: none"> - Continue active monitoring with partners of internal and consolidated budgets and forecasts with necessary adjustments 	Milestones Review actual to budget financial position quarterly and annually Renew 25- and 40- year plans
Objective: Solidify capital and debt plans		
Outcome FBCL is financially sustainable	Strategies <ul style="list-style-type: none"> - Obtain capital funding for the planning period -Continue prudence over debt facilities 	Milestones Complete bond repayment schedule in 2027 Continue achievement of positive S&P Global Ratings debt rating
Outcome Partner and stakeholder relationships are fortified and portfolio integration is expanded	Strategies <ul style="list-style-type: none"> -Work alongside Government of Canada to advance settlement of SIBC objectives 	Milestones FBCL and SIBC execution of settlement agreement Construction and relocation of SIB facilities per settlement agreement Resolution of SIBC governance structure

NURTURE EXCELLENCE IN PEOPLE

Objective: Support employee development and diversity, deepen FBCL's labour goodwill, and enhance corporate citizenship		
Outcome A qualified workforce is attracted and retained	Strategies <ul style="list-style-type: none"> -Develop action plan based on annual employee survey results -Engage in discussions with collective bargaining unit 	Milestones Maintain strong results from annual employee surveys Create succession plans for critical roles Achieve a renewed collective agreement in 2023-24 Enhance opportunities for cross-portfolio skills and practices exchanges Enhance baseline analysis of BIPOC and other HR metrics
Objective: Maintain community engagement opportunities		
Outcome Partner and stakeholder relationships are fortified and portfolio integration is expanded	Strategies <ul style="list-style-type: none"> -Engage in Community ConneXion activities 	Milestones Continue Community ConneXion involvement

Risk Management

Our risk profile

The Corporation risk profile contains twelve (12) independently monitored risks which the company manages on a regular basis, adapting it to market and environmental changes. The following is our risk profile view as of November 2022:

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

Financial Sustainability	▲↑	High financial exposure at the SIBC, due to toll exempt passage and lack of long-term agreement on partnership funding. Medium and long-range capital requirements extend beyond revenue collection potential for bridge portfolio and facility infrastructure. Continued dialogue with Government of Canada on possible funding options for FBCL and SIBC combined with cyclical review of tolls and other revenue generation.
Public and Asset Security	■↓	The portfolio of bridges remain secure and protected from misuse and threats. However risk remains medium due to the occasional port running events and mental health issues encountered at the various crossings. Adequate international bridges security plans and high-alert security protocols in place. Increased security camera coverage (CCTV) for restricted access areas and dedicated team that monitors and reports to local law enforcement 24/7.
Cybersecurity	■↑	Data integrity and security is key to decision-making. Increased awareness with respect to data breaches and ransomware. Fulsome cybersecurity program is currently being designed.
Technology	■↑	Existing in-house solutions increases the risk to get support. Existing technology proved unreliable for tolls prior to the new toll collection system being deployed in Q2.
Organizational	■↔	COVID-19 has had severe impacts on Seaway International Bridge Corporation resources. FBCL continues to work closely with Transport Canada and partner Great Lakes Saint Lawrence Seaway Development Corporation (U.S.).
Fraud	■↔	Cash intake decreased during the pandemic. Additional fraud prevention training for employees and robust internal audit plans are in place.
Public Safety	■↔	Minimal COVID-19 cases and no workplace infections. Vaccination policy has been suspended for Board members, employees, contractors and tenants, per Government of Canada federal guidelines.
Workforce Management	●	Risk remains low.
Partnerships / Stakeholders	●	Risk remains low.
Reputation	●	Risk remains low.
Infrastructure	●	Risk remains low. As FBCL's ESG action plan is currently being shaped, new risks are identified, assessed and monitored against the Corporation's mandate and deliverables.
Environmental, Social, and Governance	●↑	Risk remains low. As FBCL's ESG action plan is currently being shaped, new risks are identified, assessed and monitored against the Corporation's mandate and deliverables.

Financial Overview

Current situation

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

FBCL has had to rely on operating funding provided by the Government of Canada in order to maintain the appropriate level of 24/7 accessibility, safety, and security of its four crossings that the people of Canada expect and deserve for both fiscal 2020-21 and 2021-22. A significant portion of this funding has gone to support the SIB crossing in Cornwall, as the traffic there has continued at largely pre-pandemic levels of Crown-mandated free passage for the Mohawk community. This is resulting in no opportunity for expense savings despite only receiving a fraction of paying traffic revenue. In 2022-23, the U.S. Government is funding the SIBC deficit.

Throughout, FBCL has been able to maintain operations, complete at a minimum the critical capital projects, and stay on top of debt payments. However, a substantial amount of capital projects and preventative maintenance works have been delayed by three years or more. This represents a severe opportunity cost and risk for FBCL. Aging infrastructure that cannot be maintained in a state of good repair significantly impacts the asset longitude and serviceability. With every repair deferred, the magnitude of the damage grows exponentially. When combined with dramatic inflation and escalation of costs in the construction industry, the effects are far-reaching on the long-term capital plan. The Government allocated \$27.3 million of COVID-19 relief funding over three years starting in fiscal 2022-23 to enable FBCL to complete immediate significant capital projects.

Operating Budget

FBCL revenues are derived from a combination of toll collection, lease revenue, and other revenue sources (including investment income). As compared to years before the pandemic, revenue from the primary sources (tolls and leases), FBCL expects to start fiscal 2023-24 with passenger volumes of approximately 65% of pre-pandemic levels and increase to 80% during the year. It is expected that passenger volumes will increase by another 5% over the first six months of fiscal 2024-25 and remain at the 85% for the remainder of the planning period. Commercial volumes are likely to continue at pre-pandemic volumes as a recession is predicted and therefore no increases are anticipated. With the opening of the Gordie Howe International Bridge in mid-2025, a decrease of 2% for passenger volumes and a decrease of 4% for commercial volumes is anticipated.

The funding component relates to the SIB crossing in Cornwall. Crown-mandated free passage to Indigenous populations now accounts for 80% of all the crossings at this location. It had jumped to as high as 90%+ during the pandemic border restrictions. Due to the permanent paying customer loss due to the COVID induced border restrictions as well as other external factors, this crossing will require funds to simply keep operations functioning for the foreseeable future.

In the immediate term, \$1.4 million will be required for fiscal 2023-24 and \$1.0 million for fiscal 2024-25. Support from Owners may be required, and requested for consideration in the future, to ensure continued operations of this crossing.

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

The Corporation's asset management plan is continuing to assess required service levels, scoping in all significant infrastructure assets. This asset management plan is providing significant insight into FBCL's assets, their expected lives, and refining the maintenance activities that are required on each asset, as well as emphasizing the future capital needs that are needed to maintain these important assets.

SENSITIVITY ANALYSIS

In preparing the operating budget, the Corporation makes use of certain forward-looking assumptions. These forward-looking assumptions contain information that is generally stated to be anticipated, 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 annual operating budget:

- **Passenger volume assumptions:** Since the onset of COVID restrictions and removal of such restrictions, passenger volumes have been dramatically affected. At the early onset of the pandemic-induced border restrictions, bridge crossings saw up to a 95% decrease in volumes, which have since rebounded partly. In this Corporate Plan, the assumption used is that volumes will increase to approximately 80% of pre-pandemic volumes by the end of fiscal 2023-24. A further increase to 85% in the first six months of 2024-25 is anticipated, and to then remain at 85%, thereafter. A 10% decrease/increase in passenger volumes would result in a decrease/increase of revenues of \$1.4 million.
- **Commercial volume assumptions:** In the early months of the pandemic, there was a decline in commercial volumes that rebounded to within normal volumes by the end of fiscal 2020-21, and are continuing to be steady. However, with the likelihood of an economic downturn and the possibility of a recession, this Corporate Plan does not incorporate a growth in commercial volumes. A 10% decrease/increase in commercial volumes would result in a decrease/increase of revenues of \$2.5 million.
- **Exchange rate:** Over the past five years (calendar 2017 to 2021), the exchange rate has varied by \$0.09 (as low as 1.25 and as high as 1.34). With both the TIIB and SSMIB locations operating primarily in U.S. dollars, fluctuations in rates have a direct impact on both toll revenues and expenditures. This Corporate Plan incorporates a 1.4 exchange rate for 2023-24, 1.3 exchange rate for 2024-25 and 1.25 thereafter. A \$0.09 change in the exchange rate results in a decrease/increase of \$0.2 million on net income.



- **Inflation:** Annual inflation rates have historically been between 1% & 3%. However, Canada is currently experiencing a 7% inflation rate and the United States is currently experiencing a 9% inflation rate. This directly affects the cost of goods being purchased. A 1% decrease/increase in inflation would result in a decrease/increase in expenses of \$0.2 million.
- **Salaries and wages:** Salaries and wages represent over 50% of the operating budget expenses. The cost of living is directly impacted by inflation, which can lead to increased salary costs as wages are negotiated. 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 \$39.5 million. A 1% increase or decrease in inflation would result in a \$0.4 million variance.

Capital Budget

The effects of the significant decrease in passenger traffic due to the pandemic have critically impacted FBCL's capital spending ability. Half of FBCL's major bridge structures are near or exceeding the 75-year lifespan for which they were built. With the depletion of FBCL's fiscal reserves, and the consecutive years of delayed capital infrastructure projects, FBCL is facing a clear and defined deficit in funding. A decade of cuts at the SIB related to lower toll revenues as Crown-mandated free passage has strongly overtaken paying traffic and has also placed the 63-year-old South Channel Bridge in a major capital deficit. Additionally, the capital needs of the 84-year old Thousand Islands International Bridge are exponential. In support of the Corporation's mandate and overall impact of cross-border travel restrictions, the Government allocated \$22.9 million of COVID-19 relief funding over fiscal 2023-24 and 2024-25 to enable FBCL to invest in capital infrastructure projects stabilizing the short-term financial condition of the Corporation.

The funding requirement spans multiple years of this plan, as the majority of funds that will be generated from operations are required to sustain existing debt obligations and operations.

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

- Blue Water Bridge:
 - rehabilitation and deck works on both spans of the Blue Water Bridge;
 - security improvements;
- Seaway International Bridge:
 - bridge safety;
 - replacement of critical equipment; and
- Thousand Islands International Bridge:
 - bridge rehabilitation.

In addition, FBCL has provided submissions for capital funding to the NTCF. These projects, if approved, will address important elements in the facilities and infrastructure capital plan that will lower future costs of replacement due to escalation, improve environmental performance, maintain safety and security, ease the flow of goods between Canada and the U.S., and take advantage of innovation in order to improve the efficiency of Canada's Ports of Entry.

For operational survival, FBCL has been actively deferring most projects and discretionary spending. However, with this deferral, projected maintenance and repair expenses have increased. Costs are quickly rising due to inflation, supply constraints, and escalation, estimated at 9% annually. Approved Government funding totals \$22.9 million over the next two years. In addition, FBCL is needing to complete a further \$17 million worth of projects that will simply maintain a base level of operability. In order to making a true advancement in sustainable infrastructure, FBCL anticipates making future funding requests.

In addition to the approved funding, FBCL has already worked with Transport Canada to maintain the \$24 million marked funding for the relocation of SIBC facilities.

Debt Review

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

FBCL's \$110.0M worth of bonds are budgeted to be fully paid by July 2027, based on continued biannual payments. Over the course of the next five fiscal years, FBCL will still be required to make \$40.0M worth of payments to satisfy the bondholders. This debt was assumed by the amalgamated entity of FBCL from the predecessor organization, The Blue Water Bridge Authority, and requires almost \$9.0M worth of payments every year. These payments inhibit FBCL's ability to fund significant capital projects on its own.

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

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

Ongoing Operational Priorities

International bridges are complex operations that feature the collection of tolls, traffic flow management, ongoing asset inspection and maintenance functions, capital renewal projects, provision of facilities and fulsome support to CBSA

and CFIA and activities associated with leases to third parties.

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

- Continued operational recovery from the COVID-19 pandemic;
- Quality customer service;
- Improvement to bridge facilities;
- Fulsome creation of an ESG program, complete with TCFD annual reporting;
- Financial self-reliance for daily operations;
- Discussion with partners to improve the application of Section 6 of the Customs Act with respect to funded facilities for Government Agencies;
- Positive relationships with stakeholders; and,
- Sustaining intrinsic engagement of employees.





ANNEXES

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

Ministerial Direction

The Minister of Transport issued a new 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 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.

<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,

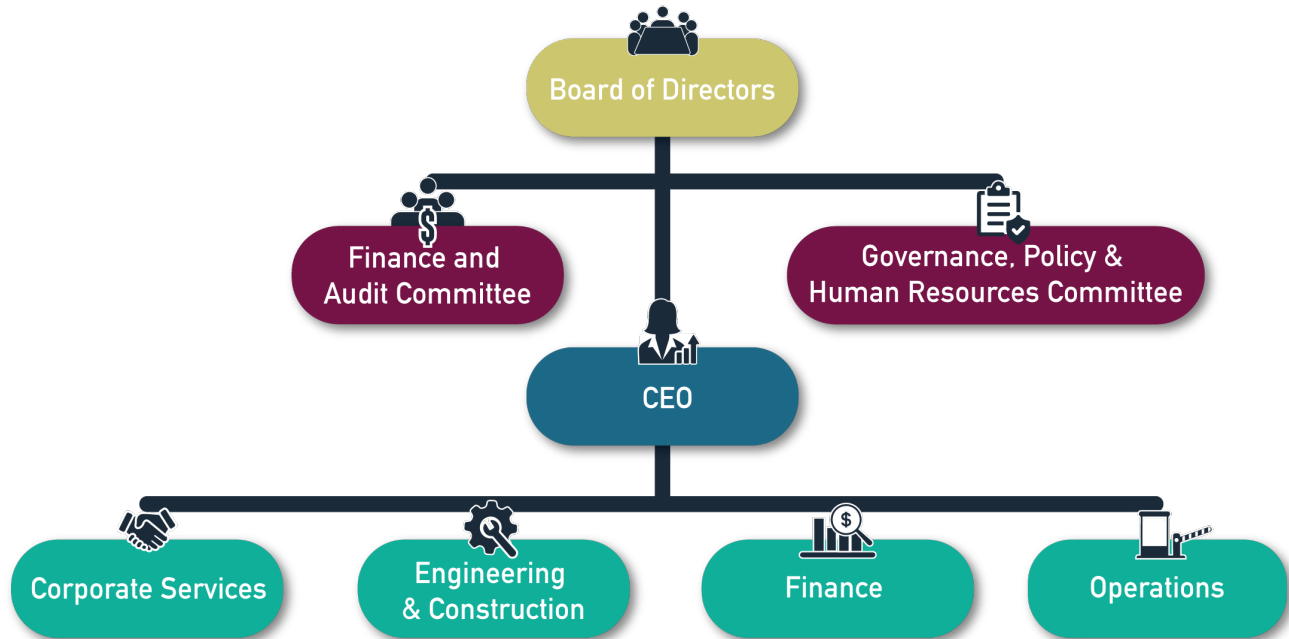
A handwritten signature in black ink, appearing to read 'Omar Alghabra', written in a cursive style.

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



Corporate Governance Structure

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



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

FBCL Board Role

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

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

The Board has established a Charter for each standing Committee and operating guidelines that govern the operations of all committees. The Board may establish other committees as required to assist the Board in meeting its responsibilities. Committee membership is subject to change and presently serving committee members are listed on the Corporation’s 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, QUEBEC	JUNE 6, 2018*	4 YEARS
Natalie Kinloch Director, Chief Executive Officer	NORTH GLENGARRY, ONTARIO	FEBRUARY 1, 2019	5 YEARS
John Lopinski Director	PORT COLBORNE, ONTARIO	FEBRUARY 1, 2022	4 YEARS
Andrew Travis Seymour Director	OTTAWA, ONTARIO	JUNE 6, 2018*	4 YEARS
Rakesh Shreewastav Director	TORONTO, ONTARIO	MAY 9, 2019*	4 YEARS
Vacant seat Director	N/A	N/A	N/A

* Denotes that these Directors continue to sit on the Board of FBCL, however they are currently in an overhold position or are expiring soon, and the corporation is awaiting appointment of these positions.

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

Committees

FINANCE AND AUDIT COMMITTEE

Mandate: As per the duties outlined in the *Financial Administration Act (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, and the resulting plans and reports together the asset management program. The Committee performs other functions assigned to it by the Board and they are included in corporate by-laws.

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

GOVERNANCE, POLICY AND HUMAN RESOURCES COMMITTEE

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

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

AUDIT REGIME

The audit regime consists of external and internal audits.

The external audit regime requires the Office of the Auditor General 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 *Financial Administration Act*. The Office of the Auditor General also conducts a special examination at least once every ten years to confirm that assets are being safeguarded and controlled; that financial, human and physical resources are being managed efficiently; and that operations are being conducted effectively. Such an examination was completed in June 2022, with very positive results, which are available on FBCL's website.

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



Senior Executives

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

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

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

Bridge Operations

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

	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 Bridge; 50% Rift Bridge; 100% of Canadian bridge plaza and port of entry	100% North Channel Bridge, 100% of Canadian toll plaza and International Road; 32% South Channel Bridge
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
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 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)

Planned Results

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

Outcomes	Performance Indicators	Target	Data source and methodology
Capital assets (bridges, roads, and buildings) are properly maintained, safe and efficient	Percentage of high priority projects identified in bridge inspections reports completed on time and on budget	100%	Operational and partner maintenance reporting
	Percentage of capital projects completed on time and on budget	>90%	Procurement documents and financial records
	Percentage of the asset inventory and Geographical Information System (GIS) that is digitized	100% of imagery (GIS) 100% of inventory at all bridge locations	Asset Management internal reports
Traffic flow is improved and reduces idling time	Perform a GHG study	To complete	Internal operational reports
	Percentage of improvement in significant identified bottlenecks	> 5% over baseline to be established in GHG study	Internal operational reports
Partner and stakeholder relationships are fortified and portfolio integration is expanded	Number of collaborative projects implemented	≥ 1 annually	Internal project reporting
	Finalize settlement agreement with The Crown and MCA	Per Crown established timeline	New agreement
	Implement a long-term solution for the governance of SIB	Complete within 24 months of bi-national agreement	New agreement Government decisions
	Maintain level of support provided to the community	> 100 hours	Human Resources reports

Outcomes	Performance Indicators	Target	Data source and methodology
Environmental stewardship and resiliency is expanded	ESG performance indicators are under development	ESG targets are under development	ESG framework
Technological infrastructure is stable and secure	Number of cybersecurity breaches and events	0 external breaches 0 internal data privacy events	Information technology reporting
	Percentage of uptime	> 99%	Information technology reporting
FBCL is financially sustainable	Annual increases in ConneXion program usage	>5%	Toll collection system internal reports
	Ensure long term positive cashflow	Toll revenues > \$38M annually Operating cashflow > \$10M annually	Annual Audited Consolidated Financial Statements
	Percentage of debt payments made in full and on time	100%	Annual Audited Consolidated Financial Statements
A qualified workforce is attracted and retained	Maintain employee engagement across the organization	Engagement > 80%	Annual employee surveys
	Minimize employee turnover rate	Turnover rate < 15%	Human Resources reports
	Complete self-identification survey on employment diversity	Diversity - Designated groups > 65% - Leadership positions occupied by women > 40% - Bilingual employees > 20% - Gender diversity variance < 10% - Indigenous >10% - Visible minorities > 8%	Employee self-identification surveys

Chief Executive Officer Results Commitment

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



January 26, 2023

Natalie Kinloch,
Chief Executive Officer
The Federal Bridge Corporation Limited

Date

Chief Financial Officer Officer Attestation

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

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

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

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

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

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



Richard Iglinski,
Chief Financial Officer
The Federal Bridge Corporation Limited

January 26, 2023

Date

Financial Statements

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

2022-23 Forecast: The significant decrease in international bridge traffic due to COVID-19 induced border restrictions depleted FBCL's fiscal reserves. The Corporation was required to withdraw a \$10 million credit facility in the fourth quarter of 2021-22 to ensure operational continuity. When comparing March 31, 2022, cash and investments to the projected cash balance as at March 31, 2023, there is a decrease in excess of \$2.5 million, in one year alone. The ever-changing environment related to border restrictions, which were removed in Canada on October 1, 2022, continues to have a significant effect on revenue. In addition, the uncertainty of potential future restrictions and marked changes in customer behaviour removes significant confidence in revenue projections. The financial results presented herein are management's best estimates and actual results may differ from forecasted results.

Budget Outlook: The financial outlook for the coming 5-year plan has been affected by a combination of permanent revenue reductions (as compared to prior years) and uncertainty over expenditures in the near term. This uncertainty is spurred by the dramatic levels of inflation, construction escalation and higher interest rates currently being borne by the Canadian economy. The Corporation is also entering a collective bargaining year under the cloud of these elements and has made assumptions as to potential wage increases. Many other varying and significant planning assumptions have been built into the plan presented here, and these are always subject to change, should governments decide to modify or impose further border restrictions. Given the planning assumptions in place currently, it will take several years to once again start to accumulate cash for its needed capital reserves, currently not expected until the 2027-28 fiscal year.



Financial Planning Factors

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

TRAFFIC VOLUMES:

For more than three fiscal years, traffic volumes have been significantly weakened. FBCL does not forecast a return to any normal pre-pandemic level of cross-border traffic during the planning period. While improvements over the current levels witnessed in 2022-23 are forecasted, FBCL is anticipating that fiscal 2023-24 will increase from 65% to 80% in passenger vehicles. An additional 5% growth in the first half of 2024-25 is forecasted. It is anticipated that passenger volumes will remain at 85% of pre-pandemic volumes thereafter. Traffic across borders at international bridge locations is affected by many things. This can include, but is not limited to, foreign exchange rates, industries opening or closing on either side of the border, public policy, efficiencies in customs processing, tariffs, exchange rates, changing customer preferences, and societal perceptions (particularly witnessed during the COVID-19 pandemic) to name a few. For those people who live on the border and are used to relying on cross-border travel as part of their

normal day-to-day routine, it is evident that these routines have been interrupted and/or cancelled altogether. There is no guarantee that these routines will be re-established as the behaviour of cross-border travellers has been changed to a greater degree than the post-9/11 impacts, and this will be more pronounced with unfavourable exchange rates, threats of recession, and high inflation. Commercial volumes are expected to remain consistent with prior years, excluding the early impacts from the pandemic.

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 B WB expects to see a reduction in traffic due to this, in the amount of 2% for passenger vehicles and 4% for commercial vehicles (as compared to what would be expected in a normal pre-pandemic year).
- Ambassador Bridge – any planned changes are not expected to become operational until after the current planning period.
- No other significant changes in traffic volumes are expected as a result of neighbouring bridge operations in FBCL's portfolio.

ECONOMY:

It is expected that economic growth will drop off as Canada is already officially entering a recession by the Fall of 2022. There is no expectation that this will be a short-lived event. This is coupled by record-high inflation and higher consumer debt servicing costs. Consequently, this could have a negative impact on commercial volumes as demand for goods is impacted as well as expenditure costs and exchange rates. Consumer ability to travel cross border may also be affected by these factors.

SAFETY AND SECURITY:

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

INFLATION RATE:

This represents the general increase in the cost for everyday goods and services. Over the planning period, FBCL is forecasting an inflation rate of 6% in 2023-24, 5% in 2024-25 and 4% thereafter. Employee wage and salary increases, where known, have been incorporated into the annual expense values.

ESCALATION:

This is related to general inflation, however it is more specifically related to the increase in costs in labour and materials related to the construction of facilities or other infrastructure. This is a rate that generally exceeds general inflation. In the current economic environment, it has been outstripping general inflation significantly. For this reason, given the market results of the previous year and consultation with external engineering firms, there is an expectation of a 9% annual escalation rate for 2023-24 and 6% thereafter, in this plan.

EXCHANGE RATES:

2023-24	1 CDN \$ = 0.71 US \$	1 US \$ = 1.40 CDN \$
2024-25	1 CDN \$ = 0.77 US \$	1 US \$ = 1.30 CDN \$
2025-26 & onwards	1 CDN \$ = 0.80 US \$	1 US \$ = 1.25 CDN \$

INTEREST RATES:

It is generally expected that interest rates will start a slow and steady drop from current levels as the interest varies in relation to the Canadian prime rate, which is forecasted at 6% for 2023-24, 5% in 2024-25 and 4% thereafter.

Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31 (in thousands of dollars)	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
ASSETS								
Current Assets								
Cash and cash equivalents	8,802	5,812	5,999	4,147	3,170	3,252	3,270	3,514
Investments	6,247	4,500	-	3,000	2,000	2,000	-	1,000
Trade and other receivables	1,581	1,500	500	1,500	1,500	500	500	500
Prepays	1,269	1,303	1,220	1,220	1,300	1,380	1,475	1,575
TOTAL CURRENT ASSETS	17,899	13,115	7,719	9,867	7,970	7,132	5,245	6,589
Non-current Assets								
Capitalized assets	365,356	354,120	354,232	345,051	347,014	333,534	319,572	305,409
Lessor Inducement	182	163	163	144	125	110	95	80
Investments	-	2,000	-	2,000	2,000	-	-	2,000
TOTAL NON-CURRENT ASSETS	365,538	356,283	354,395	347,195	349,139	333,644	319,667	307,489
TOTAL ASSETS	383,437	369,398	362,114	357,062	357,109	340,776	324,912	314,078
LIABILITIES								
Current liabilities								
Trade and other payables	4,702	3,000	3,000	3,000	3,000	4,000	4,000	4,000
Employee benefits	1,199	1,204	1,204	1,209	1,214	1,170	1,176	1,183
Holdbacks	380	50	50	50	40	33	15	40
Deferred revenue	2,493	2,542	2,542	2,542	3,107	3,086	3,233	3,272
Capitalized leases	221	231	231	238	244	203	-	-
Loans payable	400	400	400	400	400	400	400	400
Bonds payable	6,312	6,737	6,737	7,191	7,675	8,192	4,301	-
Deferred funding	3,450	3,966	3,708	4,492	4,539	4,501	4,307	4,154
TOTAL CURRENT LIABILITIES	19,157	18,130	17,872	19,122	20,219	21,585	17,432	13,049
Non-current Liabilities								
Capitalized leases	900	685	685	448	203	-	-	-
Loans payable	9,567	9,167	9,167	8,767	8,367	7,967	7,567	7,167
Bonds payable	34,094	27,358	27,358	20,168	12,493	4,301	-	-
Employee benefits	8,087	8,811	8,811	8,811	8,811	9,511	10,261	11,061
Deferred revenue	1,063	912	912	761	610	459	308	157
Deferred funding	93,973	94,301	95,147	95,763	108,128	103,627	99,320	95,166
TOTAL NON-CURRENT LIABILITIES	147,684	141,234	142,080	134,718	138,612	125,865	117,456	113,551
TOTAL LIABILITIES	166,841	159,364	159,952	153,840	158,831	147,450	134,888	126,600
EQUITY								
Retained earnings	216,584	210,042	202,170	203,230	198,286	193,334	190,032	187,486
Accumulated other comprehensive income	12	(8)	(8)	(8)	(8)	(8)	(8)	(8)
TOTAL EQUITY	216,596	210,034	202,162	203,222	198,278	193,326	190,024	187,478
TOTAL LIABILITIES AND EQUITY	383,437	369,398	362,114	357,062	357,109	340,776	324,912	314,078

Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ending March 31 (in thousands of dollars)	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
REVENUES								
Tolls and services	25,048	28,650	25,863	31,563	33,519	33,041	35,094	35,219
Leases and permits	1,871	2,965	2,082	3,662	3,761	3,774	3,798	3,824
International Thousand Islands Bridge revenue	4,482	6,122	3,938	6,860	6,721	6,900	6,900	7,300
Interest	42	101	99	109	109	109	110	110
Other	184	134	65	283	226	227	228	229
TOTAL REVENUE	31,627	37,972	32,047	42,477	44,336	44,051	46,130	46,682
EXPENSES								
Operations	5,331	5,546	5,937	6,922	7,224	7,392	7,605	7,825
Thousand Islands International Bridge expenses	3,604	5,037	5,037	6,021	5,847	5,789	5,932	6,081
Maintenance	5,710	6,302	6,715	7,626	7,901	8,006	8,731	8,661
CBSA & CFIA operations	3,743	4,023	4,245	4,599	4,932	4,979	5,100	5,221
Administration	6,617	6,784	7,293	7,807	8,068	8,293	8,528	8,819
Additional funding of SIBC operations	834	-	-	713	510	-	-	-
Depreciation	19,318	18,517	20,008	18,543	18,468	17,604	17,092	16,550
TOTAL EXPENSES	45,157	46,209	49,235	52,231	52,951	52,063	52,988	53,157
OPERATING LOSS BEFORE GOVERNMENT FUNDING	(13,530)	(8,237)	(17,188)	(9,755)	(8,615)	(8,012)	(6,858)	(6,475)
GOVERNMENT FUNDING								
Funding in relation to operating expenses	10,845	880	880	1,427	1,019	-	-	-
Amortization of deferred funding	3,752	3,579	3,688	3,966	4,492	4,539	4,501	4,307
TOTAL GOVERNMENT FUNDING	14,597	4,459	4,568	5,393	5,511	4,539	4,501	4,307
NON-OPERATING ITEMS								
Interest expense	(2,998)	(2,784)	(2,784)	(2,450)	(1,841)	(1,479)	(945)	(378)
TOTAL NON-OPERATING ITEMS	(2,998)	(2,784)	(2,784)	(2,450)	(1,841)	(1,479)	(945)	(378)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(1,931)	(6,562)	(15,404)	(6,812)	(4,946)	(4,952)	(3,302)	(2,546)

GOVERNMENT FUNDING

for the year ending March 31

(in thousands of dollars)

	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
Appropriations from Government of Canada								
Vote 1 - Payments to the corporation								
Approved Funding	18,497	5,303	5,303	7,381	17,923	-	-	-
Funding not available	(9,347)	-	-	-	-	-	-	-
Lapsed Funding	-	(880)	-	-	-	-	-	-
<i>Total Funding Accessed</i>	<i>9,150</i>	<i>4,423</i>	<i>5,303</i>	<i>7,381</i>	<i>17,923</i>	<i>-</i>	<i>-</i>	<i>-</i>
Grand Total	9,150	4,423	5,303	7,381	17,923	-	-	-
Reconciliation of government funding								
Total funding in current year	9,150	4,423	5,303	7,381	17,923	-	-	-
Amortization of Deferred Government Funding	5,847	3,579	3,688	3,966	4,492	4,539	4,501	4,307
Government funding deferred to future years	(400)	(4,423)	(4,423)	(5,954)	(16,904)	-	-	-
Total amount recognized in Statement of Operations	14,597	3,579	4,568	5,393	5,511	4,539	4,501	4,307
Balance of Deferred Government Funding								
Balance - start of year	102,870	97,423	96,966	98,267	100,255	112,667	108,128	103,627
Government funding recognized in year	400	4,423	4,423	5,954	16,904	-	-	-
Amortization of deferred government funding	(5,847)	(3,579)	(3,688)	(3,966)	(4,492)	(4,539)	(4,501)	(4,307)
Balance - end of year	97,423	98,267	97,701	100,255	112,667	108,128	103,627	99,320

Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ending March 31

(in thousands of dollars)

	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
CASH FLOWS FROM OPERATING ACTIVITIES								
Net Loss	(1,931)	(6,562)	(15,404)	(6,812)	(4,946)	(4,952)	(3,302)	(2,546)
Adjustments for:								
Amortization of deferred funding	(3,752)	(3,579)	(3,777)	(3,966)	(4,492)	(4,539)	(4,501)	(4,307)
Depreciation of capitalized assets	19,318	18,517	20,008	18,543	18,468	17,604	17,092	16,550
Change in employee benefits	699	729	5	5	5	656	756	807
Loss on disposal of assets	45	-	-	-	-	-	-	-
Changes in working capital:								
(Increase) decrease in trade and other receivables	(86)	81	1,080	-	-	1,000	-	-
(Increase) decrease in prepaids	1,565	(34)	83	83	(80)	(80)	(95)	(100)
Increase (decrease) in trade and other payables	2,260	(1,702)	(2,212)	-	-	1,000	-	-
Increase (decrease) in holdbacks	-	(330)	(330)	-	(10)	(7)	(18)	25
Increase (decrease) in provisions	(2,095)	-	-	-	-	-	-	-
Increase (decrease) in deferred revenue	(120)	(102)	(102)	(151)	414	(172)	(4)	(112)
Increase (decrease) in lease inducements	11	19	19	19	19	15	15	15
Net cash generated (spent) by operating activities	15,914	7,037	(630)	7,721	9,379	10,525	9,943	10,332
CASH FLOWS FROM INVESTING ACTIVITIES								
Payments for property and equipment (government funded)	(400)	(4,423)	(4,423)	(5,954)	(16,904)	-	-	-
Payments for property and equipment (FBCL funded)	(7,432)	(2,858)	(2,783)	(3,520)	(3,527)	(4,124)	(3,130)	(2,387)
Proceeds on sale of property and equipment	-	-	-	-	-	-	-	-
Funding related to acquisition of property and equipment received	400	4,423	5,216	5,954	16,904	-	-	-
Proceeds on sale (purchase) of investments	(6,023)	(253)	8,249	1,500	1,000	2,000	2,000	(3,000)
Net cash generated (spent) on investing activities	(13,455)	(3,111)	6,259	(2,020)	(2,527)	(2,124)	(1,130)	(5,387)
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds (Repayment) of bonds payable	(5,915)	(6,311)	(6,312)	(6,736)	(7,191)	(7,675)	(8,192)	(4,301)
Proceeds (Repayment) of loans payable	7,425	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Proceeds (Repayment) of lease liability	(187)	(205)	(204)	(230)	(239)	(244)	(203)	-
Net cash generated (spent) on financing activities	1,323	(6,916)	(6,916)	(7,366)	(7,830)	(8,319)	(8,795)	(4,701)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,782	(2,990)	(1,287)	(1,665)	(977)	82	18	244
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,020	8,802	7,286	5,812	4,147	3,170	3,252	3,270
CASH AND CASH EQUIVALENTS AT END OF YEAR	8,802	5,812	5,999	4,147	3,170	3,252	3,270	3,514

Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
for the year ending March 31 (in thousands of dollars)	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
BALANCE, BEGINNING OF YEAR	217,583	216,596	217,566	210,034	203,222	198,278	193,326	190,024
Net income / (loss)	(1,931)	(6,562)	(15,404)	(6,812)	(4,946)	(4,952)	(3,302)	(2,546)
Actuarial gains / (losses)	924	-	-	-	-	-	-	-
Investments (AOCI)	20	-	-	-	-	-	-	-
BALANCE, END OF YEAR	216,596	210,034	202,162	203,222	198,278	193,326	190,024	187,478
Made up of:								
- Retained earnings	216,584	210,042	202,170	203,230	198,286	193,334	190,032	187,486
- Accumulated OCI	12	(8)	(8)	(8)	(8)	(8)	(8)	(8)

Operating and Capital Budgets

OPERATING BUDGET								
for the year ending March 31 (in thousands of dollars) (presented on a cash basis)	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
FUNDING								
Tolls	25,048	28,650	25,863	31,563	33,519	33,041	35,094	35,219
Leases and permits	1,871	2,965	2,082	3,662	3,761	3,774	3,798	3,824
International Thousand Islands Bridge operating revenues	4,482	6,122	3,938	6,860	6,721	6,900	6,900	7,300
Interest	42	101	99	109	109	109	110	110
Other	184	134	65	283	226	227	228	229
Federal government appropriations	10,845	880	880	1,427	1,019	-	-	-
TOTAL FUNDING	42,472	38,852	32,927	43,904	45,355	44,051	46,130	46,682
EXPENSES								
Operations	5,331	5,546	5,937	6,922	7,224	7,392	7,605	7,825
Thousand Islands International Bridge expenses	3,604	5,037	5,037	6,021	5,847	5,789	5,932	6,081
Maintenance	5,710	6,302	6,715	7,626	7,901	8,006	8,731	8,661
CBSA & CFIA operations	3,743	4,023	4,245	4,599	4,932	4,979	5,100	5,221
Administration	6,617	6,784	7,293	7,807	8,068	8,293	8,528	8,819
Additional funding of SIBC operations	834	-	-	713	510	-	-	-
TOTAL EXPENSES	25,839	27,692	29,227	33,688	34,483	34,483	35,896	36,607
EXCESS OF FUNDING OVER EXPENDITURES	16,633	11,160	3,700	10,216	10,872	9,592	10,234	10,075

CAPITAL BUDGET

for the year ending March 31				Budget				
(in thousands of dollars) (presented on a cash basis)								
	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
FBCL AVAILABLE FUNDING								
Internal funds available	7,853	2,858	2,958	3,520	3,527	4,124	3,130	2,387
TOTAL FBCL FUNDING	7,853	2,858	2,958	3,520	3,527	4,124	3,130	2,387
EXPENDITURES								
FBCL funded:								
Blue Water bridge paving, repairs, painting	-	-	-	500	500	300	300	100
Blue Water Equipment and Electronic Systems	5,739	1,380	1,380	821	815	895	805	295
Blue Water Plaza design improvements and rehabilitation	314	70	70	297	957	850	871	470
Cornwall bridge repairs	804	-	-	-	-	898	266	75
Sault Ste Marie Electronic Systems	849	793	793	-	-	-	-	-
Lansdowne Toll Upgrade & Electronic Systems	73	-	-	-	-	-	-	-
Lansdowne Canadian Bridge and Plaza repairs	38	50	50	-	300	350	-	700
Property acquisitions	-	50	150	750	100	100	125	150
Other capital projects	36	515	515	1,152	855	731	763	597
TOTAL FBCL EXPENDITURES	7,853	2,858	2,958	3,520	3,527	4,124	3,130	2,387
Funded with appropriations:								
Blue Water bridge paving, repairs, painting	-	-	-	4,793	7,156	-	-	-
Blue Water Equipment and Electronic Systems	400	872	872	-	1,976	-	-	-
Blue Water Plaza design improvements and rehabilitation	-	-	-	-	-	-	-	-
Cornwall bridge repairs	-	409	409	331	532	-	-	-
Sault Ste Marie maintenance projects	-	3,100	3,100	-	-	-	-	-
Sault Ste Marie Electronic Systems	-	-	-	-	-	-	-	-
Lansdowne Canadian Bridge repairs	-	-	-	756	7,118	-	-	-
Other capital projects	-	42	42	74	122	-	-	-
TOTAL EXPENDITURES	400	4,423	4,423	5,954	16,904	-	-	-
TOTAL CAPITAL EXPENDITURES	8,253	7,281	7,381	9,474	20,431	4,124	3,130	2,387
(SHORTFALL) OF FUNDING OVER EXPENDITURES	(400)	(4,423)	(4,423)	(5,954)	(16,904)	-	-	-
Appropriations:								
Approved capital appropriations funded	400	4,423	4,423	5,954	16,904	-	-	-
Total appropriations	400	4,423	4,423	5,954	16,904	-	-	-
EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES	-	-	-	-	-	-	-	-
FBCL Proposal to Transport Canada								
FUNDING & CAPITAL EXPENDITURES								
Cornwall Port Of Entry enhancement for CBSA and new FBCL facilities for bridge operations ⁽¹⁾⁽²⁾	-	-	-	-	-	24,300	-	-
Blue Water Bridge redevelopment ⁽³⁾	-	-	-	6,400	11,780	64,630	77,430	31,730
Sault Ste Marie commercial traffic flow enhancement ⁽³⁾	-	-	-	2,130	1,400	1,170	530	-
Thousand Islands redevelopment ⁽³⁾	-	-	-	6,240	520	12,130	4,390	-
TOTAL FUNDING & CAPITAL EXPENDITURES	-	-	-	14,770	13,700	102,230	82,350	31,730

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

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

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

Borrowing Plan

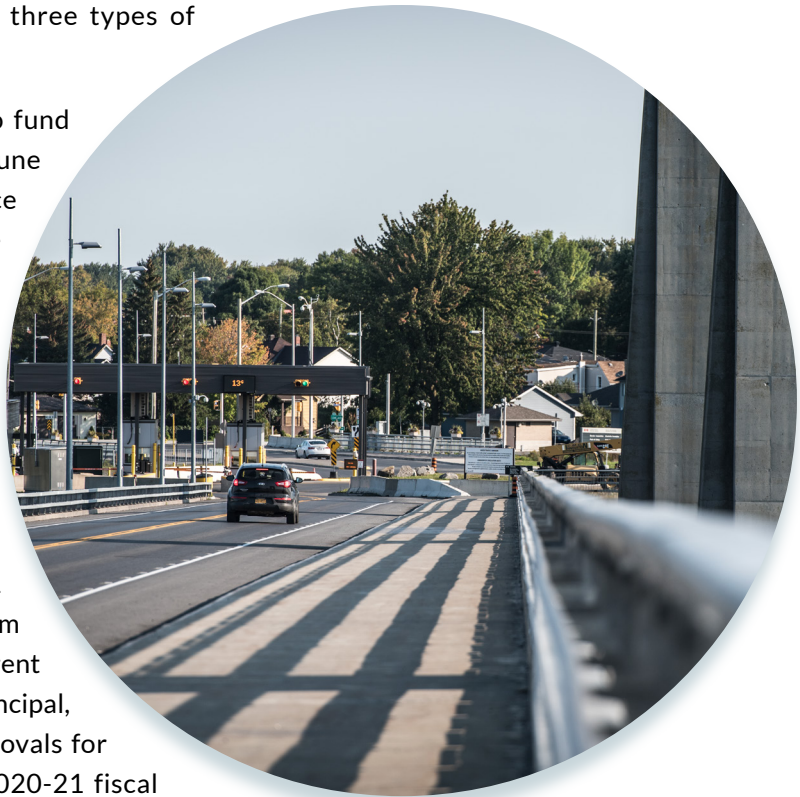
Borrowing Authority

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

Overview of Borrowing

As at March 31, 2023, the Corporation will have three types of outstanding financing arrangements:

- Bonds remaining from a legacy corporation to fund Blue Water Bridge capital redevelopment in June 2002. There remains \$34.1M principal balance outstanding, on an original face value issue of \$110M, 6.41% Revenue Bonds, payable semi-annually, due July 9, 2027, subject to maintenance of bond rating. Through the COVID-19 pandemic the corporation has worked hard to maintain its A+ bond rating, largely based on strong financial management and the close ties with the federal government.
- A \$10M loan for continued requirements at FBCL was secured with certain conditions. This term facility is non-revolving, fixed rate, on a non-current basis, with periodic payments of interest and principal, and not to exceed a maturity of 25 years. Approvals for this loan authority were granted during the 2020-21 fiscal year, allowing FBCL to draw upon this loan facility up until March 31, 2022. In February 2022, the corporation had fully drawn this facility.
- In the 2019-20 fiscal year, the Corporation adopted IFRS 16, Leases. This requires the Corporation to account for all material leases as a liability equal to the discounted present value of future lease payments, regardless of whether these leases were previously determined to be capital or operating leases. On April 1, 2019, FBCL recorded \$1.7M of currently existing leases as a liability, as a result of this IFRS standard. This liability ends December 2026. The remaining principal is \$0.9M.



New Borrowing

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

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

OUTSTANDING BORROWINGS								
for the year ending March 31 (in thousands of dollars)	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
LONG-TERM BORROWINGS:								
CURRENT PORTION								
Capitalized leases	221	231	231	238	244	203	-	-
Loans payable	400	400	400	400	400	400	400	400
Bonds payable	6,312	6,737	6,737	7,191	7,675	8,192	4,301	-
TOTAL CURRENT PORTION OF BORROWINGS	6,933	7,368	7,368	7,829	8,319	8,795	4,701	400
NON-CURRENT PORTION								
Capitalized leases	900	685	685	448	203	-	-	-
Loans payable	9,567	9,167	9,167	8,767	8,367	7,967	7,567	7,167
Bonds payable	34,094	27,358	27,358	20,168	12,493	4,301	-	-
TOTAL NON-CURRENT PORTION OF BORROWINGS	44,561	37,210	37,210	29,383	21,063	12,268	7,567	7,167
TOTAL BORROWINGS	51,494	44,578	44,578	37,212	29,382	21,063	12,268	7,567

PEAK BORROWINGS								
for the year ending March 31 (in thousands of dollars)	Actual 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
Capitalized leases	1,505	1,121	1,290	916	686	447	203	-
Loans payable	3,075	10,000	12,943	9,567	9,167	8,767	8,367	7,967
Bonds payable	51,860	40,406	46,321	34,095	27,359	20,168	12,493	4,301
PEAK BORROWINGS	56,440	51,527	60,554	44,578	37,212	29,382	21,063	12,268

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 2021-22	Forecast 2022-23	Main Budget 2022-23	Budget				
				2023-24	2024-25	2025-26	2026-27	2027-28
Capitalized leases								
Opening balance	1,308	1,121	1,120	916	686	447	203	-
Maturities	(187)	(205)	(204)	(230)	(239)	(244)	(203)	-
New issuances	-	-	-	-	-	-	-	-
TOTAL CAPITALIZED LEASES	1,121	916	916	686	447	203	-	-
Loans payable								
Opening balance	2,542	9,967	9,967	9,567	9,167	8,767	8,367	7,967
Maturities	(2,575)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
New issuances	10,000	-	-	-	-	-	-	-
TOTAL LOANS PAYABLE	9,967	9,567	9,567	9,167	8,767	8,367	7,967	7,567
Bonds payable								
Opening balance	46,320	40,406	40,407	34,095	27,359	20,168	12,493	4,301
Maturities	(5,914)	(6,311)	(6,312)	(6,736)	(7,191)	(7,675)	(8,192)	(4,301)
New issuances	-	-	-	-	-	-	-	-
TOTAL BONDS PAYABLE	40,406	34,095	34,095	27,359	20,168	12,493	4,301	-
TOTAL LONG-TERM BORROWINGS	51,494	44,578	44,578	37,212	29,382	21,063	12,268	7,567

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

Risk Management

Risk assessments and impacts

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

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

FBCL considers risk management to be a shared responsibility. Accordingly, members of the Board of Directors, its committees, the CEO, and all employees are accountable for managing risk within their area of responsibility. Risk management policies ensure a consistent, comprehensive and enterprise-wide risk management approach that is integrated into planning, decision-making and operational processes.

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

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

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

5X5 Risk Matrix

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

▼: Severe ▲: High ■: Moderate ●: Low ↔: Stable ↑: Increasing Risk ↓: Declining Risk

	Risk Description		Mitigations Strategies
Financial Sustainability	Risk that financial instability may occur, due to a significant reduction in revenue generation, unexpected expenditures or mismanagement.	▲↑	<p>Active monitoring of expenditures to budget, prioritization and review of spending;</p> <p>Managing corporate financial sustainability in context of COVID-19 pandemic and SIBC ongoing viability;</p> <p>Ongoing assessment of overall debt and possible options;</p> <p>Full consideration of other revenue opportunities including business development;</p> <p>FBCL continues to work with CBSA on developing options to deal with long-term CBSA facility cost increases.</p>
Public and Asset Security	Risk that bridge security may be compromised due to intentional acts such as terrorism, protests, vandalism, and criminal activities. Furthermore, such a risk could lead to bridge closures, significant financial liabilities and loss of public confidence.	■↓	<p>Active media monitoring and reports of target audiences;</p> <p>Keeping abreast of host communities' matters;</p> <p>Ongoing monitoring of port running at SIBC;</p> <p>Investigating prevention measures for mental health-related events at all four crossings;</p> <p>FBCL's international bridges security plans in place;</p> <p>Maintaining excellent communication protocols between FBCL, bridge operators, partners and local police forces;</p> <p>MOUs with Transport Canada, as per <i>International Bridges and Tunnels Act</i> security measures;</p>
Cybersecurity	Risk that technology security compromises may occur, due to human error, unintentional consequences, equipment failure, natural disasters and deliberate attacks.	■↑	<p>Continuous hardware and software updates as part of a life-cycle management program;</p> <p>Monitor and ensure appropriate testing and release management are maintained;</p> <p>Introduction of a clear change management program;</p> <p>Accesses are audited and managed as per internal control policies.</p>
Technology	Risk that technology systems may be inadequate, antiquated, poorly designed, and inferior may occur, due to lack of planning, insufficient investment, lack of IT skills and poor business decisions.	■↑	<p>Continuous hardware and software updates as part of a life-cycle management program;</p> <p>New toll collection system has been deployed to support requirements;</p> <p>Monitor and ensure appropriate testing and release management are maintained;</p> <p>Introduction of a clear change management program;</p> <p>Accesses are audited and managed as per internal control policies.</p>
Organizational	Risk that organizational threats may occur, due to a transition in executive leadership, underlying management and labour performance difficulties.	■↔	<p>Managing corporate financial sustainability in context of COVID-19 pandemic and SIBC ongoing viability with partner GLS;</p> <p>Key policies in place including financial delegation, banking, investments, procurement, code of values and ethics, risk management, etc.;</p> <p>Effective staffing procedures in conjunction with succession planning processes will fill voids;</p> <p>FBCL succession plans are in place.</p>

	Risk Description		Mitigations Strategies
Fraud	Risk that fraud and corruption are committed due to intentional act(s) by one or more individual employees that could lead to the loss of public funds or property.	■ ↔	Blue Water Bridge and Cornwall have security cameras in toll booths; New proposed conflict of interest procedures with additional attestation to the Board.
Public Safety	Risk that compromised public safety instances may occur, due to accidents, incidents, natural disasters or workplace injuries.	■ ↔	Controlling risks to personnel during COVID-19 pandemic and adapting to local public health advisories; Emergency Action Plans in place (i.e. fire, medical and other first responders); Employee Safety training, Health and Safety Coordinator and Committee on staff; Continuous employee training and awareness sessions.
Workforce Management	Risk that workforce management issues may occur, due to labour disruption, insufficient human resources, a lack of skilled employees, the development of a toxic workplace environment and the lack of an appropriate compensation structure.	●	Innovative ways to recruit resources by tapping into local community groups and schools; Frequent all staff training for harassment and violence prevention; FBCL has contingency plans to maintain the safe and secure operation of the bridge in the event of a labour disruption.
Partnerships / Stakeholders	Risk that actions by partners and stakeholders may occur, due to environmental factors and business decisions.	●	Active engagement strategy with key stakeholders and border partners.
Reputation	Risk that negative public perception of the Corporation may occur, due to the inability to foster positive and productive relationships with neighbouring communities, stakeholders and the public.	●	Execution of Community ConneXion charitable outreach activities to build positive local engagement; Active media engagement strategy including regular bridge facilities tours; Active stakeholder engagement with border partners.
Infrastructure	Risk that compromised bridge safety (asset integrity) instances may occur, due to accidents, incidents, natural disasters or maintenance failures.	●	Detailed maintenance and repair programs are developed for each location based on cyclical inspection reports to ensure appropriate planning, resource allocation and delivery. Full compliance with bridge inspections requirements.
Environmental, Social, and Governance	Risk that FBCL does not manage matters related to environmental and social sustainability development, including risks related to climate change.	● ↑	Board of Directors and Senior Management Team are drafting first steps in the overall ESG plans requirement for 2024.



Compliance with Legislative and Policy Requirements

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

FBCL has assigned an Official Languages champion to monitor and promote the use of official languages within the Corporation. FBCL ensures that all its internal and public communications as well as its services to the public are available bilingually. The use of both official languages within the workplace interactions is very prevalent, 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 2022 calendar year, no Act-related issues were communicated to the Corporation. FBCL is cognizant of a proposed House of Commons Bill that seeks to amend and reform the *Official Languages Act* and is monitoring developments to ensure it aligns, as required.

ACCESS TO INFORMATION ACT AND PRIVACY ACT

As part of a commitment to clear and transparent governance, FBCL voluntarily reports, through its website, annual summaries of all requests related to the *Access to Information Act* and the *Privacy Act* received for itself and its subsidiaries. Over the course of the 2022 calendar year, two (2) requests have been received by the Corporation and six (6) have been submitted to the subsidiary SIBC.

Directive on travel, hospitality, conferences and event expenditures

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

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

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

Pension plan reform directives

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

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 legislation that affect various facets of its operations:

CORPORATE

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

GOVERNMENT INSTITUTIONS

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

REGULATORY STATUTES

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

REGULATIONS

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

AMONGST OTHERS ALSO INCLUDING:

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

Government Priorities and Direction

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

FIGHT AGAINST COVID-19

With pandemic mitigation measures such as cross-border travel restrictions dramatically reducing crossings at FBCL bridges, the Government allocated up to \$30.6 million of COVID-19 relief over three years starting in 2022-23 to enable FBCL to support the continued safe operation of the bridges within its portfolio.

FBCL facilitates safe, secure international trade and efficient transit of people and goods, focusing on employee and public health and safety with improved facilities sanitization. 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.

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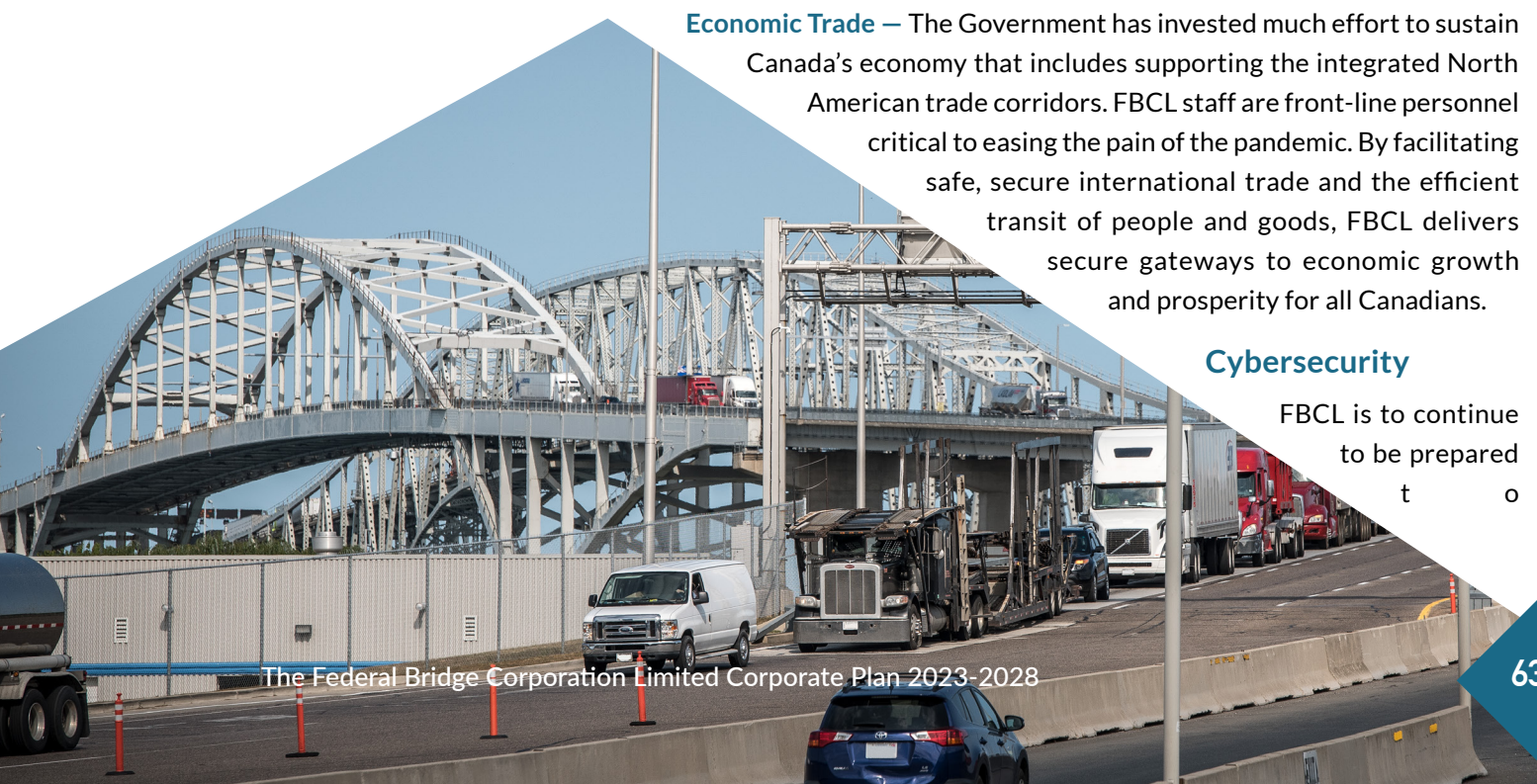
Mandatory Vaccination – On October 6, 2021, the Prime Minister announced a mandatory vaccination policy for the federal public service. More specifically, the communication of the policy required FBCL to implement in a coherent and coordinated manner for employees, GIC appointees, tenants and contractors,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

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

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

Cybersecurity

FBCL is to continue to be prepared to



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

The FBCL network and infrastructure have undergone changes over the past few years and requires a fulsome assessment of its technology, configuration, documentation and processes. The Board of Directors have also pointed out that some cybersecurity planning and execution needs to be a priority for the new fiscal year 2023-24. The Corporation has established an action plan based on two independent cybersecurity assessments recently conducted also taking into consideration the NIST and ISO27001 cybersecurity frameworks as well as the Government of Canada security-related IT security risk management approach (ITSG33). The areas of focus of the action plan are on governance, risk management, technology and processes, workforce, business continuity and disaster recovery, and data and information management.

Climate Change

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

As they presently stand, the FBCL Corporate Centre and other newer elements of the Blue Water Bridge plaza have benefited from a conception that aimed from the outset for LEED (Leadership in Energy and Environmental Design) certification. This was achieved by the Corporate Centre on June 25, 2015.

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

Increases in vehicle processing results in shorter idling times and reductions in the production of greenhouse gas emissions. Fuel typically accounts for over 40% of operational costs for commercial vehicles. For a commercial transport truck travelling three hours, a ten-minute reduction in travel time equates to roughly a 5% reduction in fuel consumption and associated emissions. FBCL's approach to traffic management aims to continuously improve vehicle throughput and to work with its bridge partners for consistency and improvements in their vehicle processing. CBSA



and CBP also have a role to play in order to improve the flow of traffic at the border. Tentatively there are some future projects by CBSA anticipated at the Blue Water Bridge such as bi-national Secure Corridor and e-Gates.

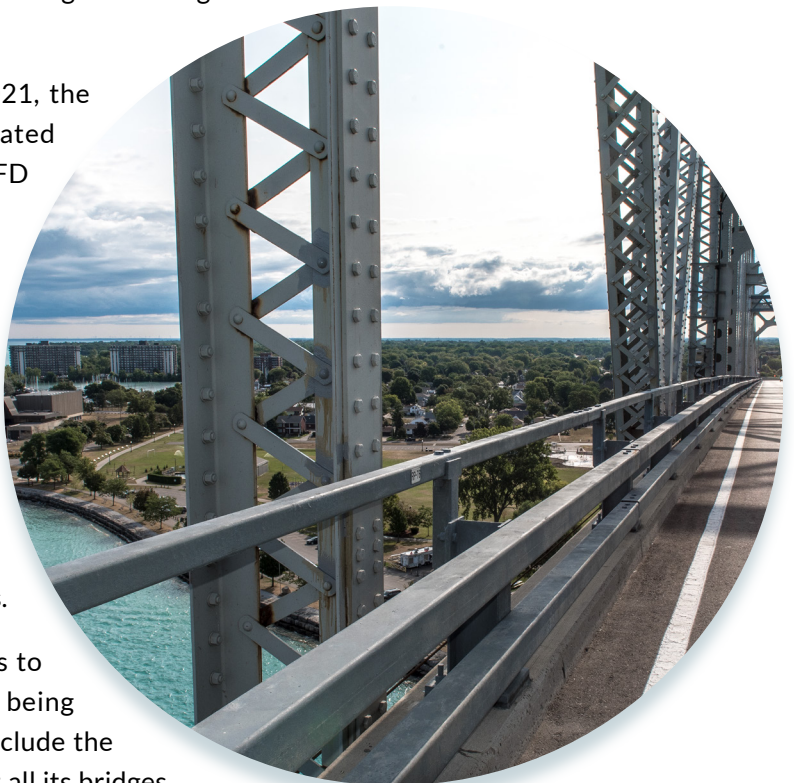
In fiscal 2020-21 FBCL conducted an impact study to assess the vulnerability of the Corporation's assets, including bridges, roadways, buildings and other infrastructure to extreme weather and climate change. The study included considerations for such factors as increased winds, rainfalls and snowfalls;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

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

As per the requirements outlined in Budget 2021, the Corporation will be developing its climate-related financial risk disclosure as established by the TCFD by fiscal 2023-2024.

Ideally, FBCL would like to conduct greenhouse gas inventory level 1 and level 2 studies subject to external and internal funding availability. This would allow FBCL to track its carbon footprint by identified greenhouse gas emission directly generated by the organization (level 1) which include emissions generated from major equipment as well as identifying those indirectly impacting the organization (level 2) such as utilities.

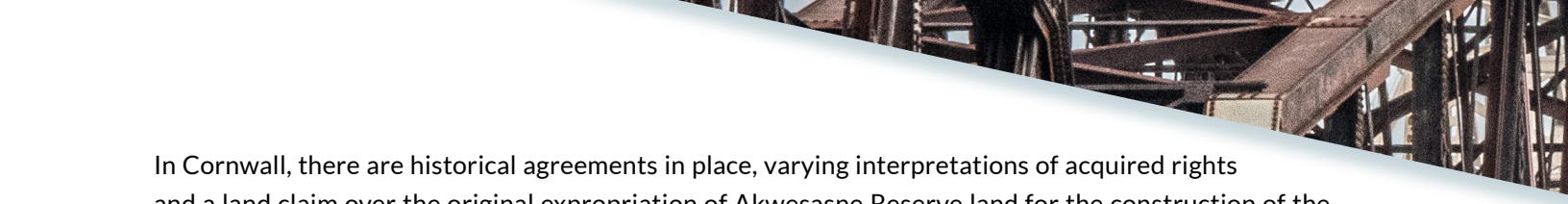
In addition to past actions, the Corporation aims to increase its green presence. Various initiatives being implemented or contemplated for deployment include the installation of electric vehicle charging stations at all its bridges as well as feasibility assessments for the generation of green (solar,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



Indigenous Relationships

In 2021, Canadians were horrified by the discovery of unmarked graves and burial sites near former residential schools. The Government has identified its duty to work collectively and for Canadians as individuals to work the path of reconciliation with First Nations, Inuit and Métis Peoples. The government indicated its intent to implement the United Nations Declaration on the Rights of Indigenous Peoples and to work in partnership with Indigenous Peoples to advance their rights.

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



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

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

In Cornwall, the Crown-mandated free passage for members of the Mohawk community represents at least \$6.5M in uncollected revenue each year. These factors combined with local economic factors, results in the Cornwall location operating near deficits. As they are prohibited by the bi-national bridge agreement with the GLS, deficits would significantly impact the international relationship at this location.


While this revenue remains unrecoverable for legitimate reasons, the crossing facilities continue to experience a proportional level of wear and depreciation that cannot be redressed through tolling. Historically, ignoring COVID-19 impact, in excess of 71% of passenger vehicles and nearly 34% of commercial trucks making the crossing are exempt from tolls. These rates have continued to increase over the past decade. This results in a cost level that is disproportionate to the subsidiary's revenue base. A new mechanism of funding support such as regular federal subsidies or alternate revenue sources will be required to ensure that deficits are prevented.

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

Equitable Workforce

There is a strong desire for FBCL to represent our nation and its borders we diligently tend to every day. 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.



In addition, a new Self-Identification Questionnaire is planned for launch fiscal 2022-23, designed to gather information about FBCL's workforce and as a central piece of FBCL's commitment to equity, diversity and inclusion. The questionnaire covers eight dimensions: age, gender identity, sexual orientation, Indigenous identity, visible minority identity, population group, disability and language.

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

Finally, the Corporation will leverage new partnerships to increase diversity in our hiring practices for Indigenous peoples, Indigenous with disabilities, and those with disabilities and those with barriers to employment. FBCL has initiated modifications to our recruitment and selection process to provide an increasingly equitable and accommodating recruitment approach thus increasing the diversity of candidates.

The Government is committed to addressing systemic inequities and disparities that remain in our workforce and institutions. It will collaborate with various communities, and actively seek out and incorporate the diverse views of Canadians. This includes women, Indigenous Peoples, Black and racialized Canadians, newcomers, faith-based communities, persons with disabilities, LGBTQ2 Canadians, and in both official languages. The Government remains committed to ensuring that public policies are informed and developed through an intersectional lens, including applying frameworks such as Gender-based Analysis Plus (GBA Plus) and the quality of life indicators in decision-making.

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

Workplace Demographics	FBCL (2022)	SIBC (2022)	Federal Public Service (2019)
Board of Directors			
Designated groups	85%	38%	n/a
Location			
Employees in regions	86%	100%	58%
National Capital Region	14%	0%	42%
Employment status			
Full-time	80%	78%	82%
Part-time	20%	22%	15%
Gender			
Employee Women	41%	72%	45%
Executive Women	20%	0%	52%
Leadership Women	32%	67%	Not currently reported
Official Language			
Indicate English as first language	90%	72%	70%
Indicate French as first language	10%	28%	28%
BIPOC			
Indigenous Peoples	Not currently measured	Not currently measured	Not currently measured
Persons with Disabilities	Not currently measured	Not currently measured	Not currently measured
Members of Visible Minorities	Not currently measured	Not currently measured	Not currently measured

Black, indigenous and people of colour (BIPOC) as measured through self-identification is not currently in place. The Corporation is deploying a self-identification questionnaire in the latter part of fiscal 2022-23 to gather the data.

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

FBCL’s operational facilities comply with the accessibility legislation, building codes and similar requirements in effect within their local footprints. FBCL endeavours to monitor the continued accessibility of its facilities, as is relevant to each intended purpose, with an aim to improve accessibility to staff, external stakeholders and customers when and where required.



ABBREVIATIONS

BWB	Blue Water Bridge
CBP	Customs and Border Protection
CBSA	Canada Border Services Agency
CECRA	Canada Emergency Commercial Rent Assistance
CEO	Chief Executive Officer
CFIA	Canadian Food Inspection Agency
ESG	Environmental, Social, and Governance
FAA	<i>Financial Administration Act</i>
FBCL	Federal Bridge Corporation Limited
GBA Plus	Gender-based Analysis Plus
GBCF	Gateways and Border Crossings Fund
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
LEED	Leadership in Energy and Environmental Design
MCA	Mohawk Council of Akwesasne
MDOT	Michigan Department of Transportation
NTCF	National Trade Corridors Fund
SIB	Seaway International Bridge
SIBC	Seaway International Bridge Corporation Limited
SSMIB	Sault Ste. Marie International Bridge
SWOT	Strengths Weaknesses Opportunities and Threats
TCFD	Task force on Climate-related Financial Disclosure
TIIB	Thousand Islands International Bridge



ACKNOWLEDGEMENTS

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

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

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