

THE FEDERAL BRIDGE CORPORATION LIMITED

CORPORATE PLAN SUMMARY

FISCAL YEAR 2015-16 TO 2019-20



Canada

Fiscal Year 2015-16 to 2019-20

1. CORPORATE PROFILE	3
2. A CHANGE IN FOCUS.....	4
3. CORPORATE GOVERNANCE.....	8
4. BUSINESS ENVIRONMENT	9
5. STRATEGIC ISSUES AND RISK MANAGEMENT	13
6. PROGRAM ALIGNMENT ARCHITECTURE (PAA).....	15
7. DELIVER ON TODAY'S PLANS AND PRIORITIES	16
8. CONSOLIDATED FINANCIAL STATEMENTS.....	22
9. PERFORMANCE ASSESSMENT.....	29
APPENDIX 1 - LIST OF ABBREVIATIONS	36

A New Entity

“The amalgamation announced today will allow the sharing of best practices in the operation and management of these international bridges, and will ensure consistency in service levels and security protocols.”

The Honourable Lisa Raitt, Minister of Transport

1. Corporate Profile

The Federal Bridge Corporation Limited (FBCL) is a *Canada Business Corporations Act* (CBCA) corporation listed in Schedule III Part 1 of the *Financial Administration Act* (FAA) and is an agent of Her Majesty. FBCL is a parent Crown corporation that reports to the Parliament of Canada through the Minister of Transport.

FBCL amalgamated with the St. Mary's River Bridge Company (SMRBC), a wholly-owned subsidiary, on January 27, 2015 and the Blue Water Bridge Authority (BWBA), a parent Crown corporation, on February 1, 2015. Amalgamation with its remaining subsidiary, The Seaway International Bridge Corporation, Limited (SIBC), is expected to occur at a later date, with agreement of its U.S. partner, the St. Lawrence Seaway Development Corporation (SLSDC). The amalgamated FBCL is responsible for the Canadian federal interest at four international bridge locations in Ontario, as follows:

- **Sault Ste. Marie:** Ownership of the Canadian interest in the Sault Ste. Marie International Bridge. The bridge is managed by the International Bridge Administration (IBA), an entity of the State of Michigan, United States (U.S.), through an international agreement between the asset owners, FBCL and the IBA, a division of the Michigan Department of Transportation (MDOT). The bridge operations are overseen by a joint international Board of Directors, the Sault Ste. Marie Bridge Authority (SSMBA);
- **Point Edward:** Ownership, management and operation of the Canadian portion of the twinned Blue Water Bridge, linking Point Edward, Ontario to Port Huron, Michigan. FBCL works in close cooperation with MDOT, the owner, manager and operator of the U.S. portion of the bridge;
- **Thousand Islands:** Ownership of the Canadian interest in the Thousand Islands International Bridge. The bridge is managed by Thousand Island Bridge Authority (TIBA), an entity of the State of New York, U.S., under a bi-national agreement between the asset owners, FBCL and TIBA; and
- **Cornwall:** Ownership of the Canadian interest in the Seaway International Bridge Crossing. FBCL is responsible for management of the whole bridge crossing including the North Channel Bridge, an international roadway, and the South Channel Bridge. The operations are managed by international agreement as a joint venture by the SIBC on behalf of the asset owners, FBCL and SLSDC, a federal U.S. entity. Major Canadian capital projects are undertaken directly by FBCL.

1.1. Mandate

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

The business or undertaking of the Corporation shall be 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 structure, facility, work, or property, linking the Province of Ontario in Canada to the State of New York or the State of Michigan in the United States of America, either alone, jointly or in

cooperation with any other person, legal entity or governmental authority in Canada or in the United States of America;

- (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 structure, facility, work or property contemplated in paragraph (a) or (b).

For the foregoing purposes, the Corporation has, subject to the FAA, the CBCA, and these articles, as amended from time to time, the capacities and powers of a natural person.

2. A Change in Focus

2.1. Amalgamation

In October 2013, the Government of Canada tabled Bill C-4 - *Economic Action Plan 2013 Act, No. 2* which included provisions authorizing the amalgamation of four Crown corporations (BWBA, SMRBC, SIBC and FBCL) that own or operate international bridges and gives control and management responsibilities to the resulting amalgamated corporation, FBCL. The Bill received Royal Assent on December 12th, 2013.

In early 2014, the first phase of amalgamation saw The Jacques Cartier and Champlain Bridges Incorporated (JCCBI) in Montreal cease to be a subsidiary of FBCL and become a standalone parent Crown corporation.

In a second phase, completed on January 27, 2015, FBCL amalgamated with one of its wholly-owned subsidiaries, SMRBC. FBCL expects to amalgamate with its remaining wholly-owned subsidiary, SIBC, with the agreement of its U.S. partner, SLSDC.

Phase three of the amalgamation took place on February 1, 2015, with the amalgamation of FBCL and BWBA under the CBCA, continuing as one corporation under the name The Federal Bridge Corporation Limited (FBCL).

The Board of Directors of the new FBCL entity, including the Chairperson and the President and Chief Executive Officer (CEO), were appointed upon amalgamation. The new Chairperson and the new President and CEO are the same that held the previous positions with the legacy FBCL. The continuity of these positions will be an asset moving forward. All governance-related matters are now the responsibility of the new FBCL Board. (Note that until amalgamation with SIBC takes place, that subsidiary will continue to be overseen by its own Board of Directors appointed by FBCL.) All activities, assets and liabilities of the legacy corporations will continue under the amalgamated FBCL.

The amalgamation will contribute significantly to resolving historical governance issues, allowing for increased focus and greater accountability for international bridges through a single Board structure.

2.2. Strategic Direction

FBCL has established an interim vision, mission and pillars to help define the framework for the newly amalgamated corporation's strategic direction. These aspects will be revisited and reconfirmed as we work together to plan the way forward.

Vision

FBCL is the Canadian Crown corporation that is responsible for overseeing the federal interests of the entrusted international bridge crossings between Canada and the United States.

Mission

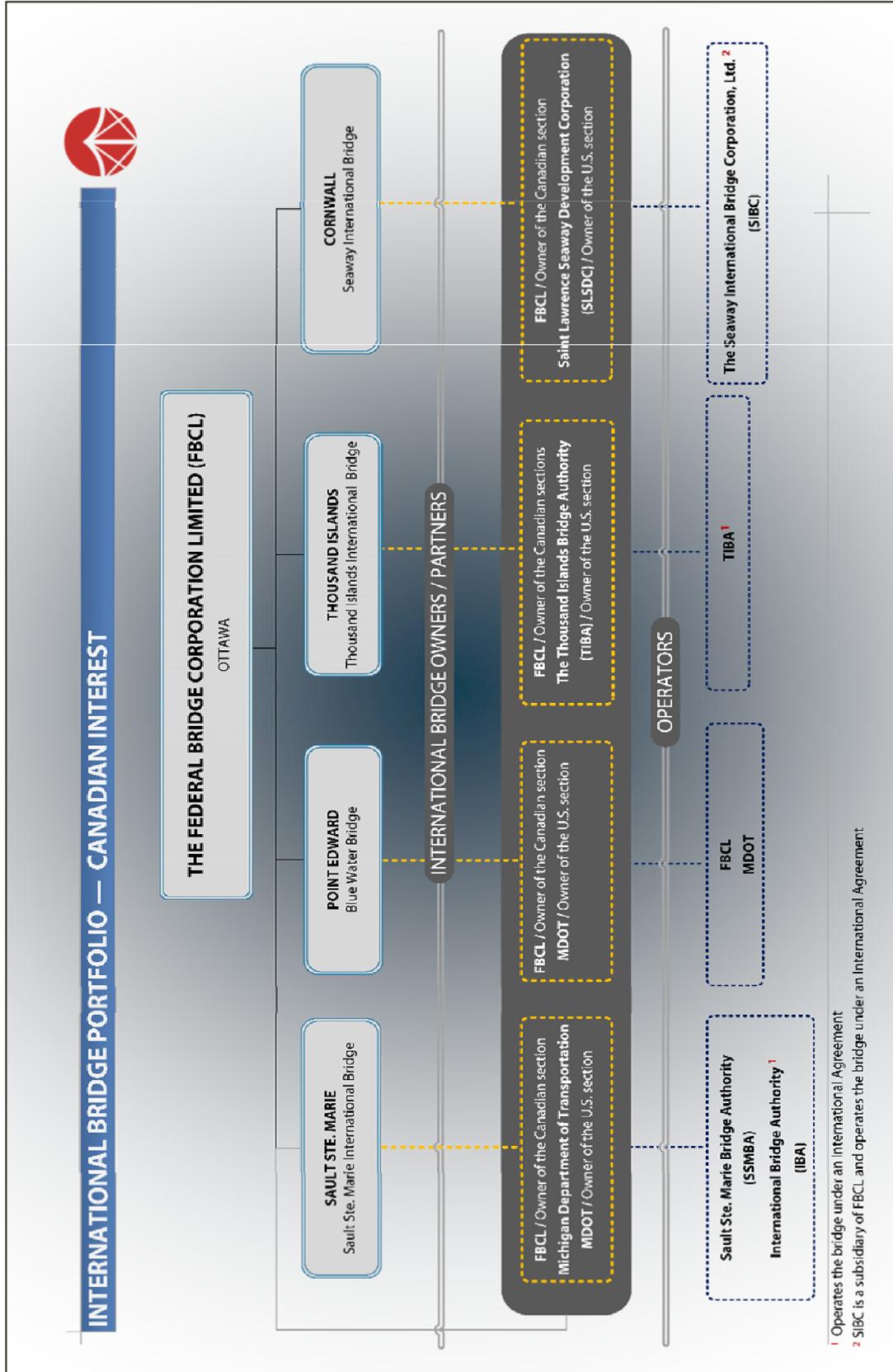
We strive to optimize the safety, security, sustainability and capacity of bridge operations to the benefit of Canada while serving the traveling public with efficiency and respect.

Pillars

FBCL will deliver its mission through 5 key pillars:

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

2.3. FBCL at a Glance



2.4. SUMMARY OF OPERATIONS

	FBCL				SIBC
Operations	Headquarters	Sault Ste. Marie International Bridge	Blue Water Bridge	Thousand Islands International Bridge	Seaway International Bridge Crossing
Location in Ontario	Ottawa	Sault Ste. Marie	Point Edward	Lansdowne	Cornwall
Corporate Status	Incorporated in 2015 as CBCA corporation 2015 amalgamation with SMRBC and BWBA				Subsidiary Incorporated in 1962, continued in 1979 as a CBCA corporation.
Board of Directors	Seven Directors (includes the Chairperson and the President and CEO) appointed by Governor in Council.				Eight Directors, four Canadians; four U.S., appointed by FBCL. SLSDC recommends U.S. Directors for appointment.
International Agreement and Oversight		FBCL/MDOT MDOT-IBA operates Eight Directors appointed equally by each owner to the SSMBA.		FBCL/TIBA TIBA operates U.S. Chair and six Directors, three U.S; three Canadian, appointed by Jefferson County. FBCL recommends Canadian Directors for appointment.	FBCL/SLSDC SIBC operates
Bridge ownership		o 100% Canadian Bridge	o 50% of twin bridges	o 50% of international bridge o 50% rift bridge	o 100% North Channel Bridge o 32% South Channel Bridge
Activities	Portfolio management International agreement oversight Engineering, inspections, capital projects and for all bridges	Bridge operations, leases and licenses including Duty Free Canada Border Services Agency (CBSA) facilities operations	Bridge operations, leases and licenses including Duty Free CBSA and Canadian Food Inspection Agency (CFIA) facilities operations Currency exchange	Bridge operations, leases and licenses including Duty Free CBSA and CFIA facilities operations	Leases and licenses

Strategic Renewal

“As a newly-formed Crown corporation, it is a new beginning for the Corporation (FBCL) in terms of governance, accountability and oversight.” –

Connie Graham,
Chair, FBCL
Board of Directors

3. Corporate Governance

3.1. FBCL Board

The FBCL Board is composed of seven directors, including the Chairperson and the President and CEO. The Chairperson and the President and CEO are appointed by the Governor in Council, in accordance with section 105 of the FAA. The directors of FBCL, other than the Chairperson and the President and CEO, are appointed by the Minister with the approval of the Governor in Council.

As per the FAA, the duties and responsibilities of the FBCL Board are to set corporate objectives and direction, ensure good governance, monitor financial performance, approve budgets and financial statements, approve policies and by-laws, recommend appointment of the Canadian directors of International Bridge Boards, as well as ensure that risks are identified and managed.

In exercising their functions, the FBCL Board of Directors will be initially guided by the Amalgamation Agreement established by the legacy corporations and approved by the Minister of Transport.

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

3.1.1. Committees of the FBCL Board

Finance and Audit Committee

The Finance and Audit Committee (FAC) is responsible to oversee, on behalf of the corporation, the standards of integrity and behaviour, the reporting of financial information, management control practices, risk management and insurance needs. The FAC is composed of three Directors appointed by the FBCL Board, one of whom is appointed as Chair of the Committee.

The role of the FAC is as mandated for audit committees in the FAA. The FAC is responsible for advising the FBCL Board on matters of the oversight of financial statements, any internal audit of the corporation and the annual auditor's report of the corporation. The FAC is also responsible to review and advise the FBCL Board with respect to a special examination, and its resulting plans and reports. The FAC performs other functions assigned to it by the FBCL Board and that are included in the by-laws of the corporation.

The following committees have been established within the FBCL By-Laws. However, the FBCL Board of Directors has opted to exercise these Committee functions within a Committee of the Whole to allow for familiarization of all of the members and a further review planned for the fall.

Governance Committee

The Governance Committee assists the FBCL Board in fulfilling its oversight responsibilities on standards of integrity and behavior, governance structures and processes, and related matters. It also supports the Minister in the nomination and renewal process for FBCL Board membership. The Governance Committee is composed of three Directors appointed by the FBCL Board, one of whom is appointed as Chair of the Committee.

Human Resources Committee

The Human Resources Committee is responsible to oversee FBCL's compensation and benefits policies, review and evaluation of the President and CEO's performance and review of the emergency management plan. The Committee is composed of three Directors appointed by the FBCL Board, one of whom is appointed as Chair of the Committee.

3.2. Audit Regime

The audit regime consists of external and internal audits. The Office of the Auditor General of Canada (OAG) conducts an annual audit of the consolidated financial statements to verify that they fairly reflect FBCL's operating results and financial position, and that its transactions have been carried out in accordance with International Financial Reporting Standards (IFRS) and Part X of the FAA. By exception, in this year of amalgamation, additional audits are required to close-out the legacy corporations. The OAG also conducts a special examination at least once every ten years (most recently of legacy BWBA in 2007 and legacy FBCL in 2008) 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.

The FBCL Internal Audit regime aims to strengthen accountability, risk management, resource stewardship, and good governance by ensuring that Internal Audit is a key governance component. FBCL develops risk based multi-year audit plans which identify key risk areas common to all locations. Internal audit plans of both legacy corporations will continue to be delivered until such time as a new integrated internal audit plan is developed.

4. Business Environment

In delivering its mandate, FBCL is affected by internal and external factors which may highlight its strengths, generate opportunities, create challenges and impose threats. Once identified, these factors are monitored and plans are adapted to address significant changes. The amalgamation of FBCL will permit the establishment of a common approach to key issues that arise, taking into account crossing location differences.

4.1. Economic Impact

The significant drop in the global price of oil since late-2014, has had significant impacts on the Canadian economy. The Canadian dollar has decreased to approximately 80 cents U.S. and is expected to remain low for the next couple of years. Overall, Canada is expected to maintain moderate, though weaker economic growth. Declining economic activity in the resource-producing regions of the country is expected to be largely offset by increasing activity in the manufacturing sectors in the central provinces. Fluctuations in the Canadian dollar impact cross-border traffic patterns, and the toll revenues generated by international bridges. A weaker Canadian dollar supports increased manufacturing and cross-border exports (and thus increased commercial traffic), but decreases cross-border shopping by Canadian consumers. Other factors

such as decreased gas prices are also expected to affect tourism and traffic patterns in the planning period.

4.2. Traffic Patterns

International crossings are directly impacted by the economy as described in the preceding Economic Impact description. In comparing 2013 to 2014:

- Sault Ste. Marie International Bridge had decreases of 5.47% in commercial traffic and 5.87% in total traffic;
- Blue Water Bridge had an increase of 3.09% in commercial traffic and decrease of 0.92% in total traffic,
- Thousand Islands International Bridge saw a 3.61% increase in commercial traffic but a 1.84% decrease in total traffic.
- Seaway International Bridge had a decrease of 13.75% in commercial traffic but a 4.02% increase in total traffic, and

Total traffic using all four of FBCL's international bridges has increased by 2.29% in commercial traffic but total traffic decrease of 4.61% from 2013 to 2014 due to these factors. In 2009, commercial transits declined particularly due to difficulties in the export market linked to the 2008 downturn of the Canada/U.S. economies. It had been recovering slowly over the last few years as shown in the following Year to Year Comparison chart (on the next page).

Year to Year Comparison Chart



4.3. Beyond the Border Action Plan

The U.S./Canada Beyond the Border Action Plan sets out a range of initiatives to promote security and support trade and economic growth, by improving the shared border and by supporting prosperity through improved cross-border trade. As CBSA facilities are located at each of FBCL's international bridge crossings, these initiatives have a direct impact on the flow of traffic and the facilities requirements. FBCL continues to engage with its partners, CBSA and Transport Canada to meet the objectives of this action plan. Most notable is the complete rehabilitation of the plazas at the Lansdowne crossing where the Thousand Islands International Bridge is located

and in Sault Ste. Marie. Another example of partnership is the joint border wait-time initiative at the Blue Water Bridge.

4.4. Customs Act and Health of Animals Act Impact

The Customs Act (Section 6) and Health of Animals Act (Section 31) require the owner or operator of any international bridge to provide the accommodations, operations and maintenance costs for customs and border facilities. Expenses include such items as maintenance, janitorial, property taxes and utilities. The expanding size and complexity of CBSA facilities results in significant current federal funding requirements at two of FBCL's bridges, Sault Ste. Marie and Thousand Islands. The investments have already been made at the Blue Water Bridge for both CBSA and CFIA in recent years. The costs of operating and maintaining these facilities are also escalating. FBCL continues to work with its partners to best define the needs and to develop the most cost-effective options to address the requirements.

4.5. Stakeholders

FBCL has a variety of stakeholders that add a layer of complexity to its operations, policy establishment, and delivery of its projects. These include federal partners such as Transport Canada, Central Agencies, CBSA, CFIA and Public Works and Government Services Canada (PWGSC), U.S. Customs and Border Patrol as well as provincial and municipal governments and agencies, local First Nations, U.S. governments and agencies, law enforcement agencies, unions and emergency responders. FBCL continues to make improvements to its community engagement and communications using blogs and other social media to ensure that community concerns are identified and addressed, and that the contributions of its international bridges are clearly understood.

4.6. Competition

There are various ownership and management models for international bridges that place some geographical crossings at an advantage versus others due to a variety of factors such as operations limited to Canada or financial participation of another federal entity. One example directly competing with FBCL's Cornwall and Thousand Island bridges is the Ogdensburg-Prescott Bridge. The customs facilities for this bridge are placed at a land crossing in proximity to the bridge and costs are assumed by PWGSC, not the Bridge Authority itself. Therefore, the bridge owner does not assume associated costs of the CBSA facilities due to the location, which in turn do not affect toll rates and places the bridge at a competitive advantage. Also, Blue Water Bridge faces competition from the Detroit-Windsor Tunnel, the Ambassador Bridge and the new Detroit-Windsor Bridge currently being constructed.

FBCL monitors these factors and adjust its plans including increasing tolls and looking at other revenue generating opportunities to ensure long-term financial sustainability of all its international crossings.

4.7. Response to Government Priorities

- **Continued fiscal responsibility:** FBCL continues the path set by legacy corporations in the strong respect for the use of public funds by continuing to implement wage restraint in line with practices in the broader public sector, utilizing a value engineering process in all of its major capital projects, sharing internal services across all locations and investing in the broader use of technology.

- **Safety and security:** A priority of the Government of Canada is to protect the safety and security of Canadians. Canada is facing increasing risk of terrorist activities, especially home-grown terrorists as evidenced by the terrorist attacks in Ottawa at the War Memorial, Parliament Buildings and outside a military base in Quebec. International Bridges represent important assets and symbols making them a security target in Canada and the U.S. for intentional acts of vandalism, terrorism and disruptions. FBCL works with partners to continuously monitor potential threats that could compromise the security of the international bridges and/or cause property damage, closure of a bridge or impact the flow of traffic.
- **Pension plan affordability:** FBCL is committed to affordable and financially sustainable Crown corporation pension plans. The Governor in Council has directed specific Crown corporations including FBCL to ensure that its pensions plan align with benefits available with the Public Service Pension Plan (PSPP). FBCL will adjust and integrate its various pension plans to meet these requirements.

5. Strategic Issues and Risk Management

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

FBCL is subject to a number of risks in carrying out its mandate and most of the risks are related to FBCL's strategic issues associated with amalgamation and issues identified by the OAG in its Special Examinations of legacy BWBA in 2007 and legacy FBCL in 2008. As FBCL works together to standardize its risk assessment and management practices over the coming year, it will review its Enterprise Risk Management (ERM) policy, and re-examine the risk profile to confirm the key corporate-level risks across the portfolio.

5.1. Infrastructure Safety

FBCL's top priority and focus is the safety of its international bridges and associated structures. It ensures that these bridges are inspected, maintained, monitored and repaired appropriately to ensure safety at all times. FBCL is administering its international bridge programs with a long-term view aimed at extending the life of its infrastructure and ensuring the highest level of safety in maintaining and operating its bridges for its users and employees. These initiatives are undertaken in collaboration with U.S. bridge partners in order to produce a comprehensive view of the structural standing of the bridges.

5.2. Security

Canada faces increasingly complex national security threats and federal organizations must adapt to this evolving threat environment. Disruptions of important infrastructure or technologies could result in loss of life or adverse economic effects, and significantly undermine the safety and wellbeing of Canadian communities. FBCL works with partners to monitor potential threats that could compromise the security of the international bridges and associated structures and/or cause property damage, closure of a bridge or impact the flow of traffic.

5.3. Sustainability

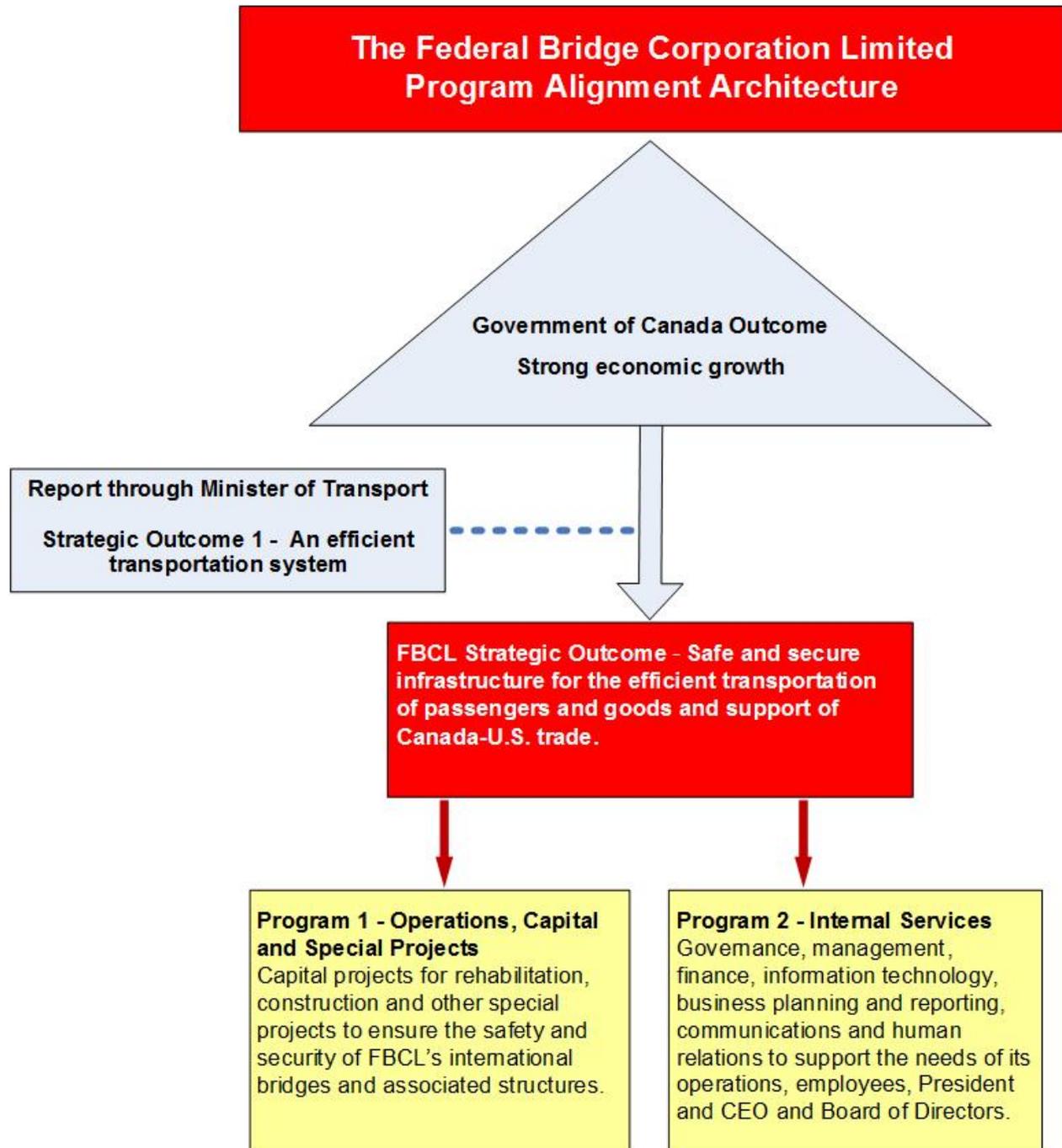
The premise of the international bridge funding model is that toll revenues would cover operating and maintenance expenses while capital expenditures would be funded by the accumulated share of net earnings. FBCL's international bridges face financial uncertainty in line with economic conditions affecting traffic volumes and toll revenues. The FBCL asset portfolio will be in good condition following delivery of the current program of capital projects. This should enable the corporation to rebuild its reserves to fund future capital requirements despite some revenue uncertainty.

5.4. Governance

The amalgamation represents a significant change in FBCL's governance and operational model. The renewed FBCL brings together two parent Crown corporations, as well as pre-existing subsidiaries (once amalgamation with SIBC is completed) who were all in the international bridge business. The newly appointed FBCL Board is charged with rapidly familiarizing itself with Crown governance requirements, the portfolio management approach, the Amalgamation Agreement, and all bridges within the new portfolio. However, most of the Board members have experience on Crown corporation boards and also international bridge experience which is a definite asset moving forward. Decisions on immediate requirements to ensure business continuity were undertaken swiftly at its initial organization meetings including corporate organizational matters, confirmation of By-Laws, appointment of committee members and officers and approval of key policies.

6. Program Alignment Architecture (PAA)

FBCL is newly amalgamated and has a mandate to provide the highest level of stewardship of the Canadian interests in the Sault Ste. Marie International Bridge in Sault Ste. Marie, Ontario; the Blue Water Bridge in Point Edward, Ontario; the Thousand Islands Bridge at Lansdowne, Ontario; and the Seaway International Bridge in Cornwall, Ontario. The PAA is intended to guide continuous improvement of the effectiveness and efficiency of operations through comprehensive risk management, optimization of performance, in planning and delivery of works as well as ensuring stronger corporate reporting and performance measurement.



7. Deliver on Today's Plans and Priorities

7.1. FBCL's Program 1 – Operations, Capital and Special Projects

Capital projects for rehabilitation, construction and other special projects to ensure the safety and security of FBCL's international bridges and associated structures.

FBCL's international bridges are complex operations which include the collection of tolls, traffic management, inspections, capital projects, maintenance functions and currency exchange activities. Important major projects are currently being delivered at all of the bridge locations to ensure bridge security, safety and infrastructure renewal.

A number of policy and operational issues must be identified and assessed to ensure that the most effective and efficient response and risk management. During the planning period, FBCL will be undertaking a review of each of these components portfolio wide in order to identify best-practices, and continuously improve the delivery of the mandate. These areas include but are not limited to:

- Structural integrity of the bridge
- Customer service
- Customer and employee safety
- Financial self-sufficiency
- Bridge facilities and operational security
- Relationships with stakeholders
- Human resources
- Improvement to bridge facilities

7.2. A View per Location

The following section describes the condition of bridge assets as well as planned maintenance, long-term capital plans and special projects. The projects have been identified and budgeted by the legacy corporations. While many are currently in advanced stages of delivery, others are in the early planning stages. With amalgamation, FBCL will review all of its projects to determine the priority level and inform the allocation of funding. This exercise will be initiated in the year ahead and as such, projects described below have been identified based on their state of advancement; i) delivery underway or ii) identification and planning. Presently several of FBCL's Bridges have long-term capital plans varying from 5 years to 40 years, FBCL will work to develop a more standard approach for these plans at all of its bridges. The new FBCL Board will review these plans in order to establish an integrated comprehensive final plan in the next fiscal year.

7.2.1. Sault Ste. Marie International Bridge (Sault Ste. Marie, ON)

The Sault Ste. Marie International Bridge opened in 1962. Sault Ste. Marie is the only international trade crossing within 600 miles in northwestern Ontario and northern Michigan.

Bridge(s) condition and maintenance

The annual inspection concluded that the overall condition of the bridge is good. Regular maintenance activities consistent with the recommendations from the inspection report are carried out each year. Maintenance works planned for the next five years are a project for works on the Canadian and U.S. arch spans in 2015-16 and the repainting of the upper arch of the Canadian Bridge in 2018-19. A full asset monitoring and management system is being developed to track,

detect and inform maintenance and capital investment. The system has been reviewed by peer colleagues across the U.S. It is currently in the latter stages of being populated with historic data and is already generating valuable information for bridge planning.

Planned Major Projects

- CBSA Canadian Plaza Redevelopment (\$51.6M)
- Toll and Administration Facilities Replacement and Automation (\$8.9M – shared with U.S. partner)

7.2.2. Blue Water Bridge (Point Edward, ON)

The twinned Blue Water Bridge links Point Edward/Sarnia, Ontario to Port Huron, Michigan. Span 1 of the twinned bridges opened in 1938 and Span 2 opened in 1997. With more than 6,000 commercial vehicles crossing the bridge daily, it is Canada's second busiest international land crossing for commercial vehicles and the third busiest for total vehicles. The twinned span bridges are a key link in the Ontario-Quebec Continental Gateway and Trade Corridor.

Bridge(s) condition and maintenance

Span 1 of the twinned bridges was refurbished in once Span 2 opened in 1997. An annual engineering assessment of the twinned bridge structures is jointly funded with the co-owner, MDOT. The Canadian half of the Blue Water Bridge stands in sound condition, in part, as a result of BWB's diligence in performing a yearly engineering assessment by a qualified professional and then acting on any maintenance recommendations in a timely manner. The BWB addresses any engineering study recommendations within the following year.

Planned Major Projects

- Toll Infrastructure Renewal and Automated Tolling (\$3.2M)
- Span 1 Resurfacing (\$3M)
- Infrastructure, Networks and Systems Improvements (\$1.0M – phased approach)

7.2.3. Thousand Islands International Bridge (Lansdowne, ON)

The Thousand Islands International Bridge was opened in 1938. FBCL is directly responsible to oversee the inspection programs for the Canadian Bridge and the Rift Bridges and manage capital projects carried out at these bridges and CBSA facilities. The boundary is at the International Rift, between Wellesley Island and Hill Island, and is bridged by two parallel arched spans.

Bridge(s) condition and maintenance

The annual inspection concluded that the overall condition of the bridge is good. Regular maintenance activities consistent with the recommendations from the inspection report are carried out each year. Maintenance works and repairs planned in the next five years are the rehabilitation of concrete piers at the Canadian bridge and asphalt replacement at the Canadian maintenance garage.

Planned Major Projects

- Rehabilitation of CBSA Lansdowne Port of Entry (\$60M)
- Toll Infrastructure Modernization and Automation (\$7M – shared with U.S. partner)

7.2.4. Seaway International Bridge Crossing (Cornwall, ON)

This international crossing originally opened in 1962 and includes two bridges, the North Channel Bridge and the South Channel Bridge linked by an international roadway corridor. To date, the major Canadian capital projects at this crossing have been funded through parliamentary appropriations.

Bridge(s) condition and maintenance

The North Channel Bridge has been newly constructed and opened last year. The South Channel Bridge is considered to be in good condition according to annual inspection reports for the Canadian and American portions of the bridge.

Planned Major Projects

- Construction of the New North Channel Bridge including demolition of the old high-level bridge and related infrastructure improvements (\$74.8M)

7.3. Performance Measures

Expected Result: Ensure the ongoing safety and security of FBCL's clients while maintaining the efficient operation and management of its construction and rehabilitation projects at its international bridges and associated structures.

Performance Measures	Performance Indicators	Timeline
1. Mitigate risks through regular bridge inspections, undertake all minor repairs within available funding and identify/prioritize long-term major rehabilitation requirements.	Reporting of results of inspection program and repairs undertaken at each bridge.	Annually
	Formal reports on asset risks as part of FBCL ERM.	Annually
2. Ensure innovations or new technologies are explored and/or utilized.	Implement electronic tolling at international bridges as follows:	
	Sault Ste. Marie	2015-16
	Blue Water Bridge	2015-16
	Thousand Islands Bridge (subject to design and funding approvals)	2016-17
3. Deliver funded major international bridge construction projects on time and on budget.	Sault Ste. Marie: Customs Plaza Rehabilitation (\$51.6M)	2013-18
	Thousand Islands: Renewal of the CBSA facility (\$60M)	2014-18
	Cornwall: North Channel Bridge (\$74.8M)	2014-17
	Cornwall: CBSA interim port of entry (CBSA-funded)	2013-15
4. Ensure security programs are in place at all international crossings.	Security plans and programs at all locations are reviewed and meet all IBTA requirements.	Annually
5. Review revenue generation opportunities to assist in funding long-term capital requirements.	Toll rates are reviewed and optimized with U.S. partners and other revenue opportunities are identified and explored.	Annually

7.4. FBCL's Program 2 - Internal Services

Governance, management, finance, information technology, business planning and reporting, communications and human relations to support the needs of its operations, employees, President and CEO and Board of Directors.

Internal Services are groups of related activities and resources that support the strategic outcome and issues and other corporate obligations of FBCL. FBCL's internal services include management support, and resource management services such as finance, information technology and systems, internal audit, risk management, business planning and reporting, and human resources. This professional expertise is integrated in all activities to appropriately manage risks, deliver projects as planned on all its international bridges and complete liaison with external federal agencies.

Strategies:

- Develop a new common Human Resources regime for the integration of all employees within one entity;
- Review, integrate and invest in information technology and systems to ensure ongoing functionality and security as well as common platforms for enhanced service offering to customers;
- Assess and develop long-term financial planning capacity of FBCL to ensure financial sustainability and inform decision-making;
- Deliver professional services that provide strategic advantage to FBCL and facilitates effective and efficient management in the delivery of its projects and operations at all its locations; and,
- Keep stakeholders and bridge users well informed on the status of works and resulting traffic disruptions using common and integrated social media and other communication tools.

7.4.1. Performance Measures

Expected Results: Ensure that internal services at all of FBCL's divisions support the needs for its operations, its employees, its President and CEO and Board of Directors.

Performance Measures	Performance Indicators	Timeline
1. Implement a common FBCL policy framework.	Inventory of internal services and policies, processes and systems completed and integration plan established.	2015-16
	Internal services policies, processes and systems (HR, Finance, Information Technology (IT), and Legal) integrated.	2015-16
2. Deliver amalgamation of FBCL as announced in Bill C-4 <i>Economic Action Plan 2013 Act, No. 2</i> .	International agreement negotiated and amalgamation with SIBC completed.	2015-16

3. Keep stakeholders and international bridge users well informed of corporate changes, on the status of works and resulting traffic disruptions using social media and other tools.	Stakeholder feedback through communications. Statistics on number of subscribers and visitors to social media sites, and other mechanisms used.	Annually
4. Develop foundation for a customer service improvement strategy.	Portfolio baseline data on commercial and passenger clients collected, analysed and gaps identified.	2016-17
	Customer surveys conducted on a prioritized basis.	2016-18
5. Continue to support government restraint and affordability directions.	Savings achieved through restraint.	Annually
	Status of pension implementation strategy.	2017
6. Financial self-sufficiency.	Degree to which toll revenue covers expenses by crossing and portfolio-wide.	Annually
7. Modernize IT support infrastructure at all crossings.	Status of replacement of outdated infrastructure at bridge crossings:	
	Sault Ste. Marie: installation of toll automation project	2015-16
	Blue Water Bridge: <ul style="list-style-type: none"> • installation of utilities and data networking infrastructure for plaza • introduction of new technologies • integration and improvement of select information management systems 	2013-18
	Thousand Islands Bridge (subject to funding approvals) <ul style="list-style-type: none"> • complete design and installation 	2014-16

8. Pro-Forma Consolidated Financial Statements

The following section presents the FBCL Pro Forma Consolidated Financial Statements per approved budget data for the upcoming five years 2015-16 to 2019-20.

As a result of amalgamation, FBCL has assessed and concluded that International Financial Reporting Standards is the most appropriate accounting framework. The financial information from each legacy corporation has been compiled for an integrated presentation. Significant additional work is required over the next fiscal year to fully integrate the financial reporting and systems.

8.1. Consolidated Statement of Financial Position

as at March 31 (in thousands of dollars)						Budget				
	Actual 2013-14	Actual 2013-14	Current forecast 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20		
	FBCL (legacy)	BWBA (legacy)								
	Year ended March 31, 2014	Year ended August 31, 2014								
	adjusted from PSAS to IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS		
ASSETS										
Current Assets										
Cash and cash equivalents	10,600	15,682	25,212	13,320	13,010	14,073	14,477	14,680		
Investments	13,813	1,263	18,840	29,413	24,525	20,651	20,779	23,000		
Accounts receivable	5,681	500	2,038	2,453	1,957	1,462	566	560		
Prepays	173	419	517	679	684	690	695	700		
TOTAL CURRENT ASSETS	30,267	17,864	46,607	45,865	40,176	36,876	36,517	38,940		
Non-current Assets										
Property and equipment	84,292	204,686	299,948	342,518	381,132	400,136	394,208	383,422		
Investment property	-	16,679	16,351	15,787	15,248	14,734	14,244	13,779		
Restricted assets	-	6,506	-	-	-	-	-	-		
TOTAL NON-CURRENT ASSETS	84,292	227,871	316,299	358,305	396,380	414,870	408,452	397,201		
TOTAL ASSETS	114,559	245,735	362,906	404,171	436,555	451,745	444,969	436,142		
LIABILITIES										
Current liabilities										
Accounts payable and accrued liabilities	8,060	2,313	4,741	4,650	4,137	3,624	3,111	3,200		
Due to a government partner	1,644	-	1,907	1,957	2,007	2,057	2,107	2,157		
Provisions	5,040	-	7,777	4,393	225	-	-	-		
Holdback	852	213	500	2,767	1,933	176	234	292		
Deferred revenue	374	2,495	2,947	2,795	2,821	2,846	2,872	2,897		
Current portion of loan payable	186	419	621	642	665	689	713	737		
Current portion of bond payable	-	3,913	4,173	4,310	4,596	4,901	5,227	5,552		
TOTAL CURRENT LIABILITIES	16,156	9,353	22,666	21,514	16,384	14,293	14,264	14,835		
Non-current Liabilities										
Loan payable	4,634	13,382	17,570	16,947	16,298	15,626	14,930	14,210		
Bond payable	-	73,111	70,937	66,748	62,152	57,251	52,024	46,224		
Employee future benefits	133	6,625	8,138	7,792	8,296	8,800	9,304	9,804		
Deferred revenue	-	1,934	1,760	1,879	1,822	1,768	1,710	1,655		
Deferred capital funding	52,289	-	66,811	107,495	142,343	161,534	157,270	152,413		
Provisions	12,829	-	4,618	225	-	-	-	-		
TOTAL NON-CURRENT LIABILITIES	69,885	95,052	169,834	201,086	230,911	244,979	235,238	224,306		
TOTAL LIABILITIES	86,041	104,405	192,500	222,600	247,295	259,272	249,502	239,141		
EQUITY										
Retained earnings	28,518	141,330	170,406	181,571	189,260	192,473	195,467	197,001		
TOTAL EQUITY	28,518	141,330	170,406	181,571	189,260	192,473	195,467	197,001		
TOTAL LIABILITIES AND EQUITY	114,559	245,735	362,906	404,171	436,555	451,745	444,969	436,142		

8.2. Consolidated Statement of Comprehensive Income

for the year ending March 31 (in thousands of dollars)						Budget				
	Actual 2013-14	Actual 2013-14	Current forecast 2014-15	Current forecast 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
	FBCL (legacy)	BWBA (legacy)	FBCL (legacy)	BWBA (legacy)						
	Year ended March 31, 2014	Year ended August 31, 2014	For the 12 months ending March 31, 2015	For the 7 months ending March 31, 2015						
	adjusted from PSAS to	IFRS	adjusted from PSAS to	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	
REVENUES										
Tolls	5,635	21,803	5,695	11,115	27,662	27,923	28,010	28,282	28,771	
Leases and permits	1,217	2,596	1,528	1,414	4,088	4,124	4,152	4,186	4,203	
Currency exchange	-	1,432	-	765	1,476	1,498	1,520	1,543	1,566	
International Thousand Islands Bridge revenue	1,264	-	895	-	1,537	1,460	1,382	1,370	1,354	
Interest	360	315	509	168	775	785	805	808	808	
Other	352	85	101	188	426	34	34	36	37	
TOTAL REVENUES	8,828	26,231	8,728	13,650	35,964	35,824	35,903	36,225	36,739	
EXPENSES										
Maintenance	2,742	3,727	2,662	1,853	5,571	5,864	6,186	6,548	8,703	
Operations	1,827	3,395	2,020	2,027	6,162	6,398	7,149	7,445	7,667	
Administration	3,982	3,394	3,547	1,310	6,725	6,783	6,917	7,079	7,246	
Restructuring costs	69	-	200	-	300	200	-	-	-	
Depreciation	5,046	7,185	5,799	4,522	9,748	9,686	10,519	11,967	12,332	
TOTAL EXPENSES	13,666	17,701	14,228	9,712	28,505	28,930	30,771	33,039	35,948	
OPERATING GAIN BEFORE GOVERNMENT FUNDING	(4,838)	8,530	(5,500)	3,938	7,458	6,894	5,131	3,186	791	
GOVERNMENT FUNDING										
Government funding for provisions	-	-	5,040	-	7,777	4,393	225	-	-	
Amortization of deferred capital funding	177	-	1,008	-	1,287	1,466	2,609	4,264	4,857	
TOTAL GOVERNMENT FUNDING	177	-	6,048	-	9,064	5,859	2,834	4,264	4,857	
NON-OPERATING ITEMS										
Interest expense	(161)	(5,642)	(160)	(3,134)	(5,358)	(5,063)	(4,752)	(4,456)	(4,115)	
Actuarial losses	-	(635)	-	(634)	-	-	-	-	-	
TOTAL NON-OPERATING ITEMS	(161)	(6,277)	(160)	(3,768)	(5,358)	(5,063)	(4,752)	(4,456)	(4,115)	
DISCONTINUED OPERATIONS										
Loss from discontinued operations	(79,461)	-	-	-	-	-	-	-	-	
TOTAL COMPREHENSIVE INCOME	(84,283)	2,253	388	170	11,165	7,690	3,213	2,994	1,533	

8.3. Consolidated Statement of Changes in Equity

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

	Actual 2013-14	Actual 2013-14	Current forecast 2014-15	Current forecast 2014-15	Budget					
					2015-16	2016-17	2017-18	2018-19	2019-20	
					FBCL (legacy)	BWBA (legacy)	FBCL (legacy)	BWBA (legacy)	IFRS	IFRS
	<i>Year ended March 31, 2014</i>	<i>Year ended August 31, 2014</i>	<i>For the 12 months ending March 31, 2015</i>	<i>For the 7 months ending March 31, 2015</i>						
	<i>adjusted from PSAS to IFRS</i>	<i>IFRS</i>	<i>adjusted from PSAS to IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>
BALANCE, BEGINNING OF	112,802	138,336	28,519	141,329	170,406	181,571	189,260	192,473	195,467	
Retrospective restatement of employee benefits	-	740	-	-	-	-	-	-	-	-
Total comprehensive income	(84,283)	2,253	388	170	11,165	7,690	3,213	2,994	1,533	
BALANCE, END OF YEAR	28,519	141,329	28,907	141,499	181,571	189,260	192,473	195,467	197,001	

8.4. Consolidated Statement of Cash Flows

for the year ending March 31 (in thousands of dollars)						Budget				
	Actual 2013-14	Actual 2013-14	Current forecast 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20		
	FBCL (legacy)	BWBA (legacy)								
	Year ended March 31, 2014	Year ended August 31, 2014								
	adjusted from PSAS to IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS		
CASH FLOWS FROM OPERATING ACTIVITIES										
Income before discontinued operations	(4,822)	2,253	558	11,165	7,690	3,213	2,994	1,533		
Adjustments for:										
Depreciation of property, plant, and equipment	4,933	7,185	10,321	9,748	9,686	10,519	11,967	12,332		
Provisions	1,667	1,089	2,412	(8,123)	(3,889)	279	504	500		
Changes in working capital:										
(Increase) decrease in trade and other receivables	(4,511)	175	4,143	(415)	496	495	896	6		
(Increase) decrease in prepaids	5	(27)	75	(162)	(5)	(6)	(5)	(5)		
Increase (decrease) in trade and other payables	3,096	9	(5,632)	(91)	(513)	(513)	(513)	89		
Increase (decrease) in due to a government partner	217	-	263	50	50	50	50	50		
Increase (decrease) in holdback	280	16	(565)	2,267	(834)	(1,757)	58	58		
Increase (decrease) in deferred revenue	(102)	228	(96)	(33)	(31)	(29)	(32)	(30)		
Net cash generated by operating activities	763	10,928	11,479	14,405	12,650	12,251	15,919	14,534		
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments for property and equipment (government funded)	(14,837)	-	(14,851)	(41,971)	(36,314)	(21,800)	-	-		
Payments for property and equipment (FBCL funded)	(690)	(2,929)	(6,112)	(9,783)	(11,447)	(7,209)	(5,550)	(1,082)		
Proceeds on sale (Purchase) of investments	1,709	(177)	(3,764)	(10,573)	4,888	3,874	(128)	(2,221)		
Increase (decrease) in deferred capital funding	14,933	-	14,522	40,684	34,848	19,191	(4,264)	(4,857)		
Net cash spent on investing activities	1,115	(3,106)	(10,205)	(21,643)	(8,025)	(5,944)	(9,942)	(8,160)		
CASH FLOWS FROM FINANCING ACTIVITIES										
Proceeds (Repayment) of bonds payable	-	(3,732)	(1,914)	(4,052)	(4,310)	(4,596)	(4,901)	(5,475)		
Proceeds (Repayment) of loans payable	(180)	(404)	(430)	(602)	(626)	(648)	(672)	(696)		
Net cash spent on financing activities	(180)	(4,136)	(2,344)	(4,654)	(4,936)	(5,244)	(5,573)	(6,171)		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,698	3,686	(1,070)	(11,892)	(311)	1,063	404	203		
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,902	11,996	26,282	25,212	13,320	13,010	14,073	14,477		
CASH AND CASH EQUIVALENTS AT END OF YEAR	10,600	15,682	25,212	13,320	13,010	14,073	14,477	14,680		

8.5. Consolidated Operating Budget

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

	Actual 2013-14 FBCL (legacy) <i>Year ended March 31, 2014 adjusted from PSAS to IFRS</i>	Actual 2013-14 BWBA (legacy) <i>Year ended August 31, 2014 IFRS</i>	Current forecast 2014-15 FBCL (legacy) <i>For the 12 months ending March 31, 2015 adjusted from PSAS to IFRS</i>	Current forecast 2014-15 BWBA (legacy) <i>For the 7 months ending March 31, 2015 IFRS</i>	Budget				
					2015-16	2016-17	2017-18	2018-19	2019-20
					<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>
FUNDING									
Tolls	5,635	21,803	5,695	11,115	27,662	27,923	28,010	28,282	28,771
Leases and permits	1,217	2,596	1,528	1,414	4,088	4,124	4,152	4,186	4,203
Currency exchange	-	1,432	-	765	1,476	1,498	1,520	1,543	1,566
International Thousand Islands Bridge operating revenues	1,264	-	895	-	1,537	1,460	1,382	1,370	1,354
Interest	360	315	509	168	775	785	805	808	808
Other	352	85	101	188	426	34	34	36	37
FBCL cash reserves	-	-	-	-	-	-	-	-	-
TOTAL FUNDING	8,828	26,231	8,728	13,650	35,964	35,824	35,903	36,225	36,739
EXPENSES									
Maintenance	2,742	3,727	2,662	1,853	5,571	5,864	6,186	6,548	8,703
Operations	1,472	2,620	1,535	1,572	4,859	4,934	5,001	5,263	5,347
CBSA/CFIA Operations	355	775	485	455	1,303	1,464	2,148	2,182	2,319
Administration	3,982	3,394	3,547	1,310	6,725	6,783	6,917	7,079	7,246
Restructuring costs	69	-	200	-	300	200	-	-	-
TOTAL EXPENSES	8,620	10,516	8,429	5,190	18,757	19,244	20,252	21,072	23,615
EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES	208	15,715	299	8,460	17,206	16,580	15,651	15,153	13,124

8.6. Consolidated Capital Budget

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

	Actual 2013-14 FBCL (legacy) Year ended March 31, 2014	Actual 2013-14 BWBA (legacy) Year ended August 31, 2014	Current forecast 2014-15 FBCL (legacy) For the 12 months ending	Current forecast 2014-15 BWBA (legacy) For the 7 months ending	Budget				
					2015-16	2016-17	2017-18	2018-19	2019-20
FUNDING									
Appropriations:									
FBCL North Channel Bridge replacement	12,760	-	5,417	-	15,282	5,454	-	-	-
TIB Lansdowne CBSA facility	-	-	4,000	-	20,000	20,000	16,000	-	-
Total appropriations	12,760	-	9,417	-	35,282	25,454	16,000	-	-
SMRBC Contribution agreement - Custom Plaza	2,351	-	10,389	-	14,466	15,253	6,025	-	-
Other revenue / cash reserves	3,399	5,264	1,162	1,823	9,783	11,447	7,209	5,550	1,082
TOTAL FUNDING	18,510	5,264	20,968	1,823	59,531	52,154	29,234	5,550	1,082
EXPENDITURES									
Government funded:									
Cornwall New North Channel Bridge and construction of associated structures	12,295	-	702	-	7,755	2,211	-	-	-
Cornwall Old North Channel Bridge demolition	-	-	4,715	-	7,527	3,243	-	-	-
TIB Lansdowne Customs Facility construction	-	-	4,000	-	19,750	19,550	16,000	-	-
TIB Lansdowne demolition of old structures	-	-	-	-	250	450	-	-	-
Sault Ste. Marie Customs Plaza Redevelopment	2,542	-	10,149	-	14,466	14,553	5,800	-	-
Sault Ste. Marie demolition of old structures	-	-	240	-	-	700	225	-	-
FBCL funded:									
Blue Water Span paving and repairs	-	-	-	1,000	3,200	1,930	3,250	4,500	-
Blue Water Equipment and Electronic Systems	-	2,967	-	813	1,214	1,320	310	220	220
Blue Water Plaza design improvements and rehabilitation	-	2,207	-	10	1,500	1,000	-	-	-
SIBC Roadway Improvements *	-	-	-	-	-	-	1,500	-	-
SMRBC Land acquisition	2,995	-	-	-	-	-	-	-	-
SMRBC Shared projects with SSMBBA	195	-	975	-	1,384	2,112	1,154	160	374
TIB - Toll Upgrade & Electronic Tolling	-	-	-	-	1,150	1,650	-	-	-
TIB - Canadian Bridge concrete piers/warren truss	-	-	-	-	425	2,300	-	-	-
Other capital projects	209	90	187	-	910	1,135	995	670	488
TOTAL EXPENDITURES	18,236	5,264	20,968	1,823	59,531	52,154	29,234	5,550	1,082
EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES	274	-	-	-	-	-	-	-	-

* Dependant on PWGSC resolution of CBSA buildings on Cornwall Island and identification of funding source.

9. Performance Assessment

9.1. Legacy - The Federal Bridge Corporation Limited

The following are the corporate objectives, strategies and performance targets by activity that FBCL is delivering in 2014-15 and will continue to undertake to deliver its mandate.

Activity 1- Rehabilitate, Construct, Manage and Operate			
This activity consists of all major construction and rehabilitation projects as well as other major capital expenditures ensuring the safety and security of FBCL's international bridges and associated structures including CBSA facilities. The operations are managed through international agreement with the U.S. and joint representation on the respective Boards of Directors.			
2014-15 Performance Measures	Performance Indicators	Timeline	Status
1. Ensure international bridge safety by continuing review of inspection reports and reporting on high-risk areas.	Reporting of results of inspection program	Annually	Met
	Joint meetings with each division and formal reports on asset risks as part of FBCL ERM	Annually	Ongoing- FBCL President and CEO and Chief Operating Officer meet regularly with the General Managers of Sault. Ste. Marie, Thousand Islands and Cornwall.
2. Ensure innovations or new technologies are explored and/or utilized.	Types of results of innovation and/or technologies used	Annually	Met – At the North Channel Bridge, satellite monitoring and strain gauges to compare readings have been implemented. FBCL is also looking at technology for determining the chloride concentration in the concrete decks of its structures to determine the appropriate maintenance or capital remediation required. Automated tolling upgrades are being implemented or explored at its bridges. FBCL continues to work with the National Research Council and other organizations on innovations and new technologies.
3. Deliver funded international bridge projects on time and on budget.	Sault Ste. Marie Customs Plaza Rehabilitation (\$51.6M)	2014-18	Ongoing - Property acquisitions and project design phases are completed. Construction of the maintenance garage and Duty Free are completed and buildings are now occupied. The tender for the construction of the CBSA facilities was issued and award of works is planned for March 2015.

	Thousand Islands: Renewal of the CBSA Lansdowne Port of Entry facility (\$60M)	2014-18	Ongoing - Funding was allocated April 1, 2014. Property purchase that will enhance the site efficiency has been secured. Schematic designs are finalized. Early site preparation works including utilities are underway. Rock removal contract issued and works began February 2015.
	North Channel Bridge (\$74.8M)	2014-17	Ongoing - The new bridge and toll facilities opened in January 2014. FBCL also delivered the project and construction management services for the temporary and interim CBSA Ports of Entry on CBSA's behalf. The demolition of the high-level bridge structure is underway.
4. Review revenue generation opportunities to assist in funding long-term capital requirements.	International Crossings – review revenues	Annually	Met – All crossings have adjusted toll rates for currency exchange fluctuations. Sault Ste. Marie increased toll rates April 1, 2014. New utility leases have been negotiated for the new North Channel Bridge.

Activity 2- Internal Services

Internal services at FBCL are groups of related activities and resources that support the needs of programs and other corporate obligations. These services include governance, management support, and resource management services including finance, strategic planning and reporting, communications and human relations.

2014-15 Performance Measures	Performance Indicators	Timeline	Status
1. Meet all legislative and regulatory reporting requirements.	Number of reports meeting requirements delivered in a timely manner	Annually	Met – All reports submitted on time.
	Delivery of multi-year, corporate-wide Internal Audit Plan	2013-14 to 2015-16	Met - Internal Audit Plan approved. Completed audits of FBCL IT infrastructure and financial management of major contract.
2. Review and update FBCL policy framework.	Policy frameworks in each activity area approved by the FBCL Board	2014-16	Met – ERM and Internal Audit, have been approved by the FBCL Board.
3. Deliver new corporate structure and amalgamation of FBCL as announced in the <i>Economic Action Plan 2013 Act, No. 2</i> .	Report on progress of the phases of new corporate structure	2014-15	Met – FBCL amalgamation with SMRBC was completed January 27, 2015 followed by amalgamation with BWBA on February 1, 2015. FBCL Board of Directors and the President and CEO were appointed and the transition process has been initiated.
4. Keep stakeholders and international bridge users well informed on the status of works and resulting traffic disruptions using social media and other tools.	Statistics on number of subscribers and visitors to sites	Annually	Met – FBCL maintains interactive websites (blogs) for its major projects in Sault Ste. Marie and Cornwall with Thousand Islands to be activated once construction works begin there. FBCL and SIBC held a community Bridge walk as a farewell to the old high-level North Channel Bridge which was replaced by the new low-level bridge.
5. Continue to support budget restraint measures.	Amount of savings reported as an update on key initiatives	Annually	Met - Savings of 5% identified in 2012 have been maintained for reinvestment in infrastructure.

9.2. Legacy - Blue Water Bridge Authority

The following are the corporate objectives, strategies and performance targets by activity that BWBA delivered in 2014-15 and will continue to undertake to deliver its mandate.

Activity 1- Manage and Operate		
Ensure the structural integrity and ongoing safety of the Blue Water Bridge and associated facilities through a fiscally responsible program involving appropriately scheduled and applied inspections, maintenance work and repairs, using an appropriate mix of properly skilled internal and external expertise.		
2014-15 Performance Measures	Performance Indicators	Status
1. Complete annual bridge engineering study	<ul style="list-style-type: none"> ▪ Within terms of MDOT MOU ▪ Provides list of recommendations for major and minor maintenance work to protect the structural integrity of the bridge 	Met.
2. Develop and implement an annual bridge operating and maintenance program	<ul style="list-style-type: none"> ▪ Schedule minor and major maintenance projects in a manner that is within BWBA's fiscal capabilities ▪ Perform a substantial proportion of the operating plan and minor maintenance project work cost effectively with in-house resources 	Met. Work is completed on a continuous basis per seasonal requirements.
3. Plan, develop and implement a mid- to long-term capital development program	<ul style="list-style-type: none"> • Ensure funding is available to conduct the capital program within the declared timeframe • Tender select minor work and major capital projects in a manner that encourages competitive pricing by qualified contractors • Complete major capital projects on time and on budget 	Ongoing – A 5-year program is detailed in the Corporate plan. All tenders are subject to competitive bid process. All projects are monitored for schedule and budget.
4. Continue to replenish and extend the capabilities of BWBA Maintenance personnel	<ul style="list-style-type: none"> • On-board new employees to be mentored and trained by seasoned Maintenance employees • Establish a technical capability within the Maintenance Department, to effectively manage the day-to-day operations of building management systems and HVAC technologies 	Met. Four new employees were hired over the past two years. They are receiving ongoing mentoring and training from seasoned staff.

Activity 2- Improve and Modernize

To undertake a phased program involving the migration and updating of support system infrastructure that will allow for a continuation of the staged development of the plaza, as well as the integration and improvement of information management systems. To modernize the bridge tolling system in a cost-effective manner. To create a customer-centred Canadian bridge plaza. To investigate and develop new sustainable sources of non-toll revenue generation.

2014-15 Performance Measures	Performance Indicators	Status
<p>1. Develop a phased plan that will facilitate:</p> <ul style="list-style-type: none"> • The installation of utilities and data networking infrastructure for the plaza • The timely introduction of new technologies, and the integration and improvement of select information management systems 	<ul style="list-style-type: none"> ▪ Plan is developed for the phased installation of utilities and data networking infrastructure for the plaza ▪ Select segment of the work is allocated to be undertaken by in-house IT personnel ▪ Project tender process generates competitive pricing by a number of qualified contractors ▪ The contract is completed on time and on budget 	<p>Ongoing. A general plan has been developed for the phased installation period. The installation work is being completed in phases both by internal staff and outside contractors.</p> <p>All tenders are subject to competitive bid process. All projects are monitored for schedule and budget.</p>
<p>2. Install a cost-effective, modern bridge tolling system</p>	<ul style="list-style-type: none"> ▪ Identify appropriate elements of an automated tolling system ▪ Employees and customers have opportunities to review preferred proposal and to offer feedback ▪ An appropriate implementation and service introduction plan is developed ▪ Supports developed for employees adversely impacted by the introduction of the automated system ▪ Project tender process generates competitive pricing by a number of qualified contractors ▪ The contract is completed on time and on budget 	<p>Ongoing. Preliminary discussions and feedback were incorporated into a tender package which was awarded in January of 2014. The design and implementation of the toll system is ongoing and expected to be completed in the summer of 2015.</p>

<p>3. Create a customer-centred Canadian bridge plaza</p>	<ul style="list-style-type: none"> ▪ A suitable design reflecting key customer- centric element for the Canadian plaza is selected ▪ A phased program of development is prepared ▪ Multi-year funding for the phased construction of the plaza elements is secured; Funding is secured to facilitate the demolition of old plaza buildings; Preliminary scheduling of the implementation phase will be considered as the Board of Directors deliberations in Q2 2014 ▪ Project tender process for each phase generates competitive pricing by a number of qualified contractors ▪ Each phase contract is completed on time and on budget ▪ Passenger traffic increases, drawn by the features of the Canadian plaza 	<p>Ongoing. BWBA, in cooperation with MDOT, carried out a joint master plan update in 2013-14. The final master plan was accepted by the BWBA board of directors in Q2 2014. Funding has not yet been allocated for this phased work project and no tendering to date.</p>
<p>4. Introduce new, sustainable sources of non-toll revenue</p>	<ul style="list-style-type: none"> ▪ A list of potential opportunities is prepared as part of the master capital plan update project ▪ A project team is formed to evaluate the opportunities ▪ The project team presents its top alternatives along with a business case for each ▪ The final projects are selected and an implementation plan is developed and budgeted ▪ The plans are implemented as sustainable and generate revenue 	<p>BWBA looked into different options; however, the Board of directors discontinued the effort for the short-term period.</p>

Activity 3- Business, Customer and Financial Support Services

To improve the reliability, value and scope of support services provided to BWBA's operational groups, customers and government partners.

2014-15 Performance Measures	Performance Indicators	Status
1. Review and improve business administration and support services to offer added value operational groups	<ul style="list-style-type: none"> ▪ Services are performed in less staff time, with use of time-saving automated processes ▪ Support services will assist BWBA to meet or perform well within legislative guidelines or requirements, where applicable ▪ Services accurately target needs of operational groups ▪ Operational groups offer positive feedback ▪ Maintain and enhance adherence to the <i>Official Languages Act</i> ▪ Improve stakeholder response to requests for information under ATIP acts 	Ongoing. Hired bilingual staff in 2013. Automated certain business processes in fall of 2013.
2. Refine the development and delivery of corporate planning and reporting function	<ul style="list-style-type: none"> ▪ Review planning process and report product to identify areas for improvement ▪ Establish a more realistic production timeline, which allows for greater input and feedback by directors and managers 	Ongoing. Increased opportunities will exist post-amalgamation.
3. Re-engineer the customer service support function	<ul style="list-style-type: none"> ▪ Survey customers to identify needs and support interests ▪ Define program elements and quality parameters ▪ Identify core service team, divide tasks ▪ Look for opportunities to involve other employees 	Met.
4. Develop and implement a social media plan	<ul style="list-style-type: none"> ▪ From customer surveys identify needs and support interests best addressed through existing social media avenues ▪ Define program elements and quality parameters ▪ Identify core service team and divide tasks ▪ Look for opportunities to involve other employees in interaction with customers 	Met. Social media content has been implemented and updated on a regular basis to inform all customers about traffic conditions and future maintenance.

Appendix 1 - List of Abbreviations

ATIP	ACCESS TO INFORMATION AND PRIVACY
BWBA	BLUE WATER BRIDGE AUTHORITY
CBCA	CANADA BUSINESS CORPORATIONS ACT
CBSA	CANADA BORDER SERVICES AGENCY
CEO	PRESIDENT AND CHIEF EXECUTIVE OFFICER
CFIA	CANADIAN FOOD INSPECTION AGENCY
ERM	ENTERPRISE RISK MANAGEMENT
FAA	FINANCIAL ADMINISTRATION ACT
FBCL	THE FEDERAL BRIDGE CORPORATION LIMITED
IBA	INTERNATIONAL BRIDGE ADMINISTRATION
IBTA	INTERNATIONAL BRIDGES AND TUNNELS ACT
IFRS	INTERNATIONAL FINANCIAL REPORTING STANDARDS
JCCBI	JACQUES CARTIER AND CHAMPLAIN BRIDGES INCORPORATED
MDOT	MICHIGAN DEPARTMENT OF TRANSPORTATION
OAG	OFFICE OF THE AUDITOR GENERAL OF CANADA
PAA	PROGRAM ALIGNMENT ARCHITECTURE
PSPP	PUBLIC SERVICE PENSION PLAN
PWGSC	PUBLIC WORKS AND GOVERNMENT SERVICES CANADA
SIBC	THE SEAWAY INTERNATIONAL BRIDGE CORPORATION LIMITED
SLSDC	ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION
SMRBC	ST. MARY'S RIVER BRIDGE COMPANY
SSMBA	SAULT STE. MARIE BRIDGE AUTHORITY
TC	TRANSPORT CANADA
TIBA	THOUSAND ISLANDS BRIDGE AUTHORITY