

TI Corp
Questions and Answers
July 29, 2015

Background:

TI Corp plans to increase the base toll rate on the Port Mann Bridge to \$3.15 this summer, an increase of \$0.15, or 5%, for passenger vehicles. This rate adjustment will be communicated to drivers through a news release and direct-to-customer channels.

The base toll rate has not been subject to any inflationary adjustments and has remained unchanged since December 2012. This is despite the fact that annual toll rate increases are contemplated in the Concession Agreement and are required in the TI Corp financial model in order to keep up with rising costs.

TI Corp has a fiscal responsibility to repay the costs of the Port Mann/Highway 1 Improvement Project without taxpayer support. This rate adjustment is the amount necessary to keep up with costs and meet its financial obligations to pay for the project.

Key Messages:

- I understand no one wants to see an increase, but TI Corp – the Crown Corporation that oversees the tolls – is responsible for paying off the project by 2050.
- Paying off this debt through a toll means that future generations will not be burdened with the costs of building this bridge.
- Similar to utilities, TI Corp needs to increase its rates from time to time in order to keep up with inflation and other costs.
- They have kept this increase as low as possible, with an overall increase that works out to less than 2 % per year since the start of tolling.
- Drivers have a number of choices, and by choosing the Port Mann Bridge over the alternate routes they're choosing to save up to 40 minutes a day on the faster, more efficient Highway 1.

Questions and Answers

Are tolls being increased because traffic volumes are well below projections?

- Traffic is lower than estimates made during project planning, but is starting to return to pre-construction levels.
- Even with this growth in traffic, additional revenue is required to keep up with costs and to pay off the project debt.
- TI Corp has minimized rate increases since the start of tolling. The only time rates have changed has been when the introductory rate expired in December 2013.

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- The long-term traffic forecast for the Port Mann Bridge confirms that TI Corp will meet its financial obligations, with no subsidies required from taxpayers, and pay off the project debt before the expiry of the tolling period in 2050.
- This forecast includes increasing toll rates from time to time.
- TI Corp has limited the increase to the amount necessary to keep up with costs – no higher than necessary to keep it on track to meet its financial obligations.

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How does this \$0.15 rate increase compare with increases in other jurisdictions?

- TI Corp has minimized rate increases since the start of tolling. Typically, other toll bridges adjust their rates every year, but Port Mann Bridge rates haven't changed since December 2013.

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Will the Massey Tunnel replacement be tolled?

- No decisions about tolling have been made. Following public feedback on the Project Definition Report, we will confirm the business case and the most appropriate funding solution, ensuring the Project meets the Province's transportation objectives and achieves value for money for taxpayers.

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