

INFORMATIONAL BULLETIN
Proposed Toll Rates for the
SAULT STE. MARIE INTERNATIONAL BRIDGE
November, 2008

Purpose

The purpose of this bulletin is to provide information and relevant facts regarding the purpose and the need for proposed toll increases at the International Bridge. Thank you for taking the time to read this bulletin and carefully considering the relevant facts.

Proposed Toll Rate Schedule

The Joint International Bridge Authority is proposing the following revised toll rate schedule to be put into effect on the dates indicated. Toll rates listed are based on an assumed exchange rate of \$1 USD = \$1.00 CDN.

The toll increase is needed to pay for projects required to maintain the safety and structural integrity of the bridge structure.

Bridge Toll Class	Proposed Rates*			
	Toll Adjustment Date:	Current	Proposed April 1, 2009*	Proposed April 1, 2010*
Class #1: Passenger car or truck, van, motorcycle		\$2.00	\$2.50	\$3.00
Class #2: Class 1 vehicle with 1 axle trailer		\$3.00	\$3.75	\$4.50
Class #3: Class 1 vehicle with 2 axle trailer		\$4.00	\$5.00	\$6.00
Class #29: Frequent User Card-Class 1 vehicle only (see note 1 and note 2)		\$1.40	\$1.80	\$2.10
Class #12: Recreational vehicle (per axle)		\$2.00	\$2.40	\$2.75
Class #11: Buses (per axle)		\$3.00	\$3.50	\$4.00
Non Passenger Vehicles:				
Class #5: Vehicle with 2 axles		\$6.00	\$7.00	\$8.00
Class #7: Vehicle with 3 axles		\$9.00	\$10.50	\$12.00
Class #8: Vehicle with 4 axles		\$12.00	\$14.00	\$16.00
Class #9: Vehicle with 5 axles		\$15.00	\$17.50	\$20.00
Class #16: Vehicle with 6 axles		\$18.00	\$21.00	\$24.00
Class #17: Vehicle with 7 axles		\$21.00	\$24.50	\$28.00
Class #18: Vehicle with 8 axles		\$24.00	\$28.00	\$32.00
Class #19: Vehicle with 9 axles		\$27.00	\$31.50	\$36.00
Class #20: Vehicle with 10 axles		\$30.00	\$35.00	\$40.00
Class #21: Vehicle with 11 or more axles		\$33.00	\$38.50	\$44.00
Commercial Vehicles Per Axle		\$3.00	\$3.50	\$4.00

Public Input

December 2, 2008, 7:00 PM (Tuesday)

Thompson Suite, Holiday Inn Sault Ste. Marie Waterfront, 208 St. Mary's River Drive, Sault Ste. Marie, ON P6A 5V4.

December 3, 2008, 7:00 PM (Wednesday)

Portage/Osborn Room, Ramada Plaza Hotel-Ojibway, 240 West Portage Avenue, Sault Ste. Marie, MI 49783.

December 4, 2008, 3:00 PM (Thursday)

Conference Room, Michigan Department of Transportation Service Center, 1019 Trowbridge Road, Lansing, MI.

Proposed Rates Note:

For the purpose of this illustration CDN currency is assumed at par with U.S. currency. Canadian currency toll rate is based on a currency equity factor of 1.0000, currently in place, which is based on the six month average currency exchange rate for March - August, 2008 period. The Canadian currency toll rate to be implemented on April 1st of any year may differ from that listed if the six month average currency exchange rate for the previous September through February period differs appreciably from that of March – August, 2008 exchange rate.

- Note 1: Class 1 passenger vehicles utilized for taxi, complimentary shuttle and equivalent services, do not qualify for bridge IQ card usage, but do continue to qualify for a commercial debit account.
- Note 2: All passenger type vehicles that have a legal occupancy and equipped capacity of greater than eight (8) people will be classified as a bus.
- Note 3: Frequent user programs will be converted to currency based accounts. Frequent user crossings will be deducted from accounts at the cash value equivalent of 70% of the Class 1 passenger vehicle toll rate. Deposit increments of \$20.00 is required.

International Bridge Quick Card (IQ Card)/ Proximity Card (Prox Card) Rate

Recognizing the importance of the bridge on the economic vitality of the twin cities of Sault Ste. Marie and surrounding areas, the 30% commuter rate remains near the average frequent user rate offered by any of the eleven Ontario-Michigan and Ontario-New York crossing operators. IQ/Prox card accounts remain active if there is activity on the account within any 122 day period. Accounts that do not have activity are closed and funds are forfeited.

Background on Bridge

On September 1, 2000, the bridge construction bonds were paid off and the Michigan Department of Transportation (MDOT) and the St. Mary's River Bridge Company, the Michigan and Canadian owners of the bridge, entered into an Intergovernmental Agreement that provided for joint operation and management of the bridge.

The agreement established the Joint International Bridge Authority (JIBA) Board of Directors, which consists of three members from Michigan and three members from Ontario. The agreement also established the International Bridge Administration (IBA) as the bridge operator.

In accordance with the roles and responsibilities contained in the Intergovernmental Agreement, the JIBA Board provides policy oversight for the bridge, and has the authority to set toll rates, establish insurance limits, and approve budgets and contracts and many other responsibilities.

The IBA is responsible for the day-to-day operation of the bridge and employs one-half Canadian residents and one-half U.S. residents. The IBA is an administrative entity within MDOT, and reports to MDOT on operational issues, and the Joint International Bridge Authority on policy matters.

Decreasing Traffic/Increasing Costs

The most significant challenge facing the bridge is a flat toll revenue forecast and increasing costs to keep the aging bridge structurally sound and in good condition, plus provide the necessary bridge plaza infrastructure needed to provide for safe and efficient traffic flow.

Current traffic is approximately one-half of the peak of nearly 3.6 million annual crossings in 1992. The IBA has implemented staff reductions, operational efficiencies and other cost saving measures in recent years in response to declining traffic. The bridge is totally financially self-sufficient and receives no federal, state, or provincial operational subsidy. Nearly 90% of bridge revenue comes from toll collections with smaller amounts from property leases and interest income.

The original construction bonds were retired September 1, 2000, so the bridge construction is paid off. However, repainting, bridge repair, and maintenance costs on the 46 year old structure are increasing.

Recently completed engineering studies which were commissioned to update project costs to account for recent significant construction cost increases, have determined the cost and recommended schedule for a number of capital improvement projects needed to keep the bridge and plaza facilities structurally sound and operationally safe.