

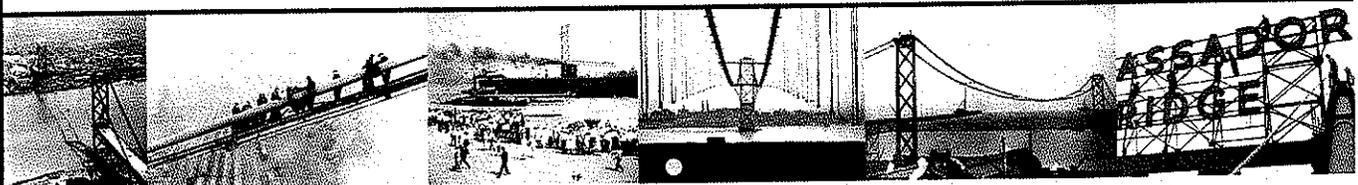
Document Index

1. October 4, 2011 – Detroit International Bridge Company Press Conference Materials;
2. October 3, 2011 – Conway MacKenzie Press Release: Detroit River International Crossing is Not Financially Feasible Based on Available Traffic Projections;
3. May 12, 2011 – Conway MacKenzie Report;
4. April 29, 2011 – Conway MacKenzie Detroit River International Crossing Press Conference Materials; and
5. Conway MacKenzie Summary of Qualifications.



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DIBC Press Conference





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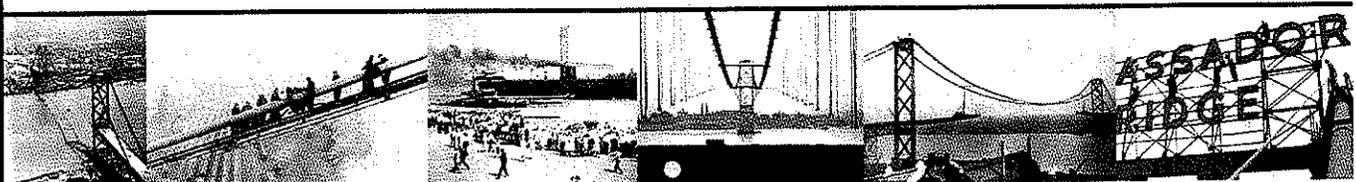
**Comments of Marcus J. Lemon
Former Chief Counsel, Federal Highway Administration
DIBC Press Conference
October 4, 2011**

The \$550 million does not result in \$2.2 billion in federal matching funds

1. Federal matching funds are apportioned by formula to the states yearly (SAFETY-LU).
2. Funds are non-discretionary, paid to state if state can match it (90/10 or 80/20).
3. Federal funds are limited by statute and capped yearly. Only so much is given per year.
4. Additional money from Michigan WILL NOT trigger increase in federal match amount.
5. If a state comes up with more matching funds, that does not generate more federal funds.
6. Every state has always made its yearly match, including Michigan.
7. Michigan already has enough funding to make its match every year.
8. No giant check will be coming from Michigan for \$2.2 billion if it gets \$550 million.
9. Federal funding to be reauthorized; states likely to lose up to 35% of federal funding.
10. Thus, NITC spending WILL NOT increase pool of available federal funds.
11. Other state projects WILL NOT move up to construction simply with NITC spending.
12. Federal government has not committed any funds on NITC (earmark or matching funds).
13. Federal government has not allocated money for \$260mm customs plaza or maintenance.

Michigan Can More Effectively Use Its Transportation Funds

1. Michigan does not need the \$550 million. It can plug shortfalls through toll credits, matching funds flexibility, and reforms in SB 351 and HB 4521.
2. States match through funds, materials, services, new right of way, or compliance costs.





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3. Michigan should restructure use of state fuel tax revenue (all revenue for transportation)

Michigan Needs Better P3 Legislation, Oversight, and Written Agreement

1. P3 legislation should be comprehensive and not based on one project.
2. Other states have better P3 legislation, oversight, and use of federal funds (FL, VA, GA).
3. There is no written agreement defining the rights and obligations for the \$550 million.
4. There is no comprehensive finance plan for NITC, no federal funds commitment, no P3.

Federal Aid Highway Funding Information:

(Listing of Federal Money Pots)

<http://www.fhwa.dot.gov/reports/financingfederalaid/apph.htm>

(Flexibility in Using Federal Money Pots)

<http://www.fhwa.dot.gov/reports/financingfederalaid/appi.htm>

(FY 2010 Apportionment of Federal Money to the States)

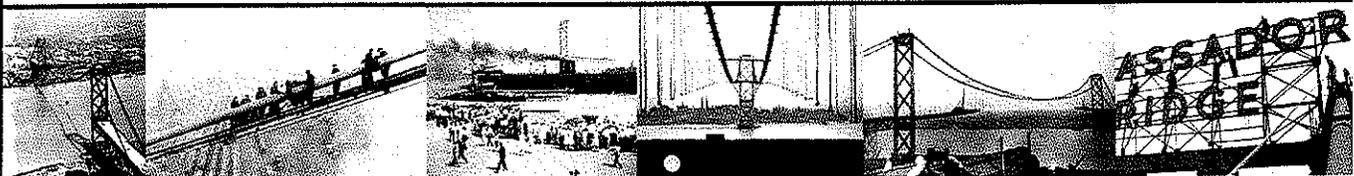
<http://www.fhwa.dot.gov/legsregs/directives/notices/n4510723t1.htm>

(Prior Year Apportionments of Federal Money to the States)

<http://www.fhwa.dot.gov/legsregs/directives/notices.htm>

Biography of Marcus J. Lemon:

<http://www.mckennalong.com/professionals-MarcusLemon.html>





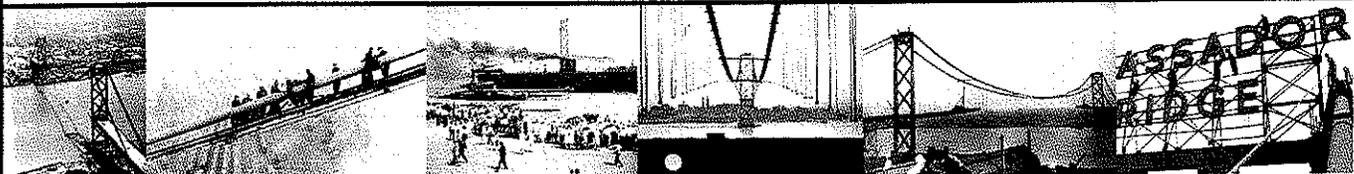
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U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

APPORTIONMENT OF FISCAL YEAR (FY) 2010 FUNDS PURSUANT TO
THE SURFACE TRANSPORTATION EXTENSION ACT OF 2010, TITLE IV OF PUBLIC LAW 111-147
(inclusive of programmatic distribution of amounts based on certain allocated programs
under section 411(d); before reconciliation of funds under section 414)

STATE OF MICHIGAN

Interstate Maintenance	153,003,643
National Highway System	191,475,072
Surface Transportation Program	243,121,817
Bridge Replacement & Rehabilitation	113,812,391
Congestion Mitigation & Air Quality	66,636,269
Appalachian Development Highway System	-
Recreational Trails	3,907,866
Metropolitan Planning	9,931,760
Safety	39,120,514
Rail-Hwy Crossings	7,522,228
Coordinated Border Infrastructure Program	28,298,156
Safe Routes To School	5,992,442
<u>EQUITY BONUS</u>	
Subject to Formula Limitation	166,453,039
Subject to Special Limitation	47,865,348
Exempt from Limitation	15,292,979
TOTAL	1,092,433,524





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STATE MATCHING PROCESS FOR FEDERAL FUNDS

CONGRESS APPORTIONS
STATE MATCHING FUNDS^L
CAPPED BY YEAR



STATE SPENDS MONEY
ON PROJECT*



STATE DECIDES WHICH
"POT" OF FEDERAL MONEY
TO SEEK MATCHING FUNDS



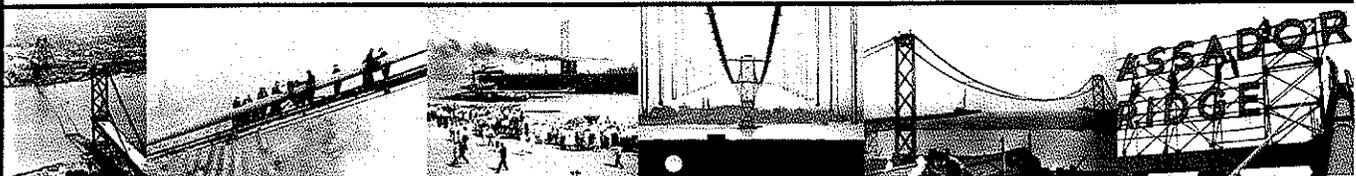
STATE REQUESTS
REIMBURSEMENT FROM
FHWA



FHWA REIMBURSES STATE
BASED ON TYPE OF ELIGIBLE
PROJECT, UP TO CAP, AND
BASED ON PERCENTAGE FOR
TYPE OF PROJECT
(90/10), (80/20), (100)

***MORE STATE SPENDING
DOES NOT = MORE
FEDERAL MONEY
AVAILABLE IN ONE YEAR.**

**FEDERAL FUNDS ARE
LIMITED PER YEAR AND
LIKELY TO BE CUT (35%?)**





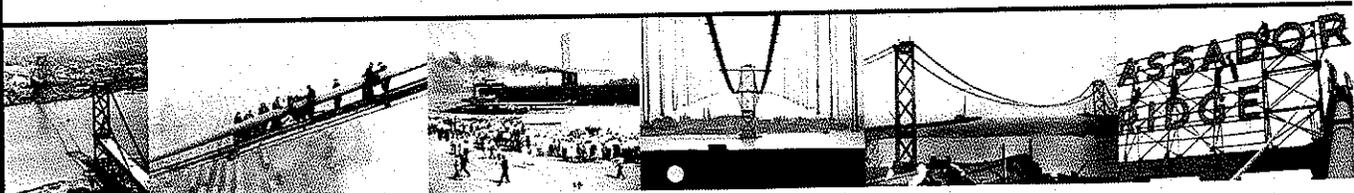
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**Comments of Van Conway
Chief Executive Officer, Conway MacKenzie, Inc.
DIBC Press Conference
October 4, 2011**

Summary of Conway MacKenzie, Inc ("CM") May 12, 2011 Report

1. In the May 12, 2011 report CM calculates that the DRIC project will result in a total cash flow loss to the U.S. and/or Michigan of approximately \$1.5 billion from 2016 through 2035 and ranges annually from approximately \$84.9 million in 2016 to approximately \$67.1 million in 2035. Subsequent to 2035, the DRIC will continue to incur annual cash flow losses. It is important to note that these calculations do not include any cost associated with the Canadian portion of the DRIC (half of span, Windsor Essex Parkway, and Canadian Toll Plaza).

2. DRIC Project Risks/Issues:
 - Traffic volumes often fall significantly short of projections (traffic volumes down 43% in 2010 from peak in 1999);
 - The Michigan Department of Transportation ("MDOT") commissioned traffic study by Wilbur Smith Associates projects that traffic crossing volumes will not exceed 1999 levels until 2028;
 - Significant cost overruns often occur for similar projects;
 - Manufacturing growth not likely to occur in geographic areas that would benefit the DRIC;
 - Ford, GM, and Chrysler had 70% of the market share in 1999 and 45% in 2010. It seems unlikely that their market share would increase significantly over the foreseeable future,
 - No DRIC business plan, inclusive of financial projections has been prepared;
 - Unknown operator with no historical track record;
 - Unidentified financing source or structure;
 - Lack of written contracts or legislative documents that addresses how capital will be raised to fund the DRIC project and how potential cost overruns and financial shortfall will be paid for.





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1. Due to the significant cash flow losses and other project risks, no private investor would invest in the DRIC without a government guarantee.
2. Based on the estimated total cash flow loss and significant additional risks identified above, the proposed financial investment in the DRIC project is not financially feasible.

Rebuttals to CM May 12, 2011 Report

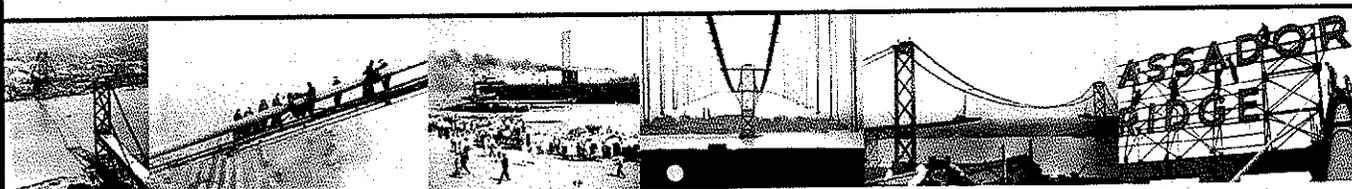
1. Since the issuance of the CM report in May 2011, there have been no identified financial expert sources which have successfully challenged and rebutted CM's finding that the DRIC is not financially feasible. In fact, no other viability study has been published that shows the DRIC as being financially feasible without government support.
2. CM is surprised that the \$550 million Canadian loan has not been formalized in a government approved legally binding agreement to be negotiated with U.S. and/or Michigan.

Summary of Anderson Economic Group's September 20, 2011

The Anderson report states that the financial viability of a bridge depends on three main components: traffic projections, cost estimates, and financing. The following conclusions are reached in the Anderson report:

1. The Anderson report states there were no traffic projections available that would make the DRIC financially feasible.
2. Anderson cites a 2009 study that states actual traffic for toll roads are on average 42% less than the projected level (CM does not include traffic volume discount in its calculation in the May 12, 2011 report).
3. Cost overruns are typical for large American infrastructure projects. Anderson gives an average overrun estimate of 61% or approximately \$1.4 billion (CM does not include cost overruns in its calculation in the May 12, 2011 report).

Lastly, no evidence exists that there are available sources of capital for either the total cost of the DRIC project or the likely cost overruns.

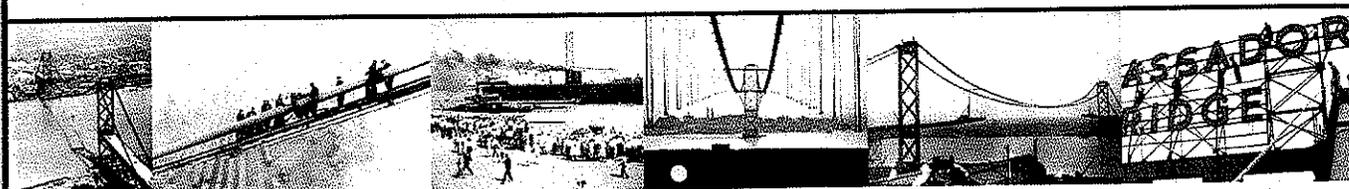




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**Comments of Gary Wolfram, Ph.D.
Professor of Economics and Public Policy, Hillsdale College
DIBC Press Conference
October 4, 2011**

1. When toll revenues are not sufficient to pay for operating expenses, the loan from Canada, and principal and interest on the bonds, Michigan taxpayers will subsidize the bridge despite the statutory language making the debt for the bridge debt of the NITC Authority and not that of the state.
2. The Legislature will be able to amend the statute to allow taxpayer subsidy to the bridge authority
3. A well-known example of taxpayer subsidy of what was supposed to be outside of the government debt is the case of Fannie Mae. Fannie Mae was converted to a publically held corporation in 1968 to remove its debt from the federal budget. In September of 2008 the Federal Housing Finance Agency announced Fannie Mae would be placed into conservatorship. The taxpayer bailout of Fannie Mae is at over \$100 billion and could be much larger. (The CBO in its June 2, 2011 report stated that including the cost of guaranteeing the loans in Fannie Mae and Freddie Mac's portfolio would result in a taxpayer subsidy of \$317 billion.)
4. The Mackinac Bridge Authority is a closer example of the Legislature amending statute to protect authority debt.
5. Mackinac Bridge Authority was created in 1950 with a 1952 statute authorizing it to issue debt to build a bridge. The Debt not to be an obligation of the state and was secured solely by tolls.
6. One year later the Legislature voted to provide \$417,000 to offset operating revenues in order for the tolls to be able to pay the principal and interest on bonds. Advances were made through December 1985 and totaled \$12.3 million, none of which has been repaid.
7. In 1967 the Legislature authorized an appropriation of \$3.5 million to be distributed annually to the Authority to be used to pay principal and interest on the bonds of the authority. \$63 million have been received as advances and \$11.75 million have been repaid.

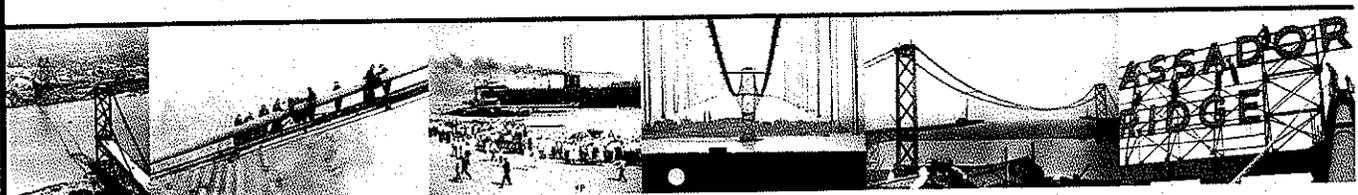




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9. There are \$22.7 billion of state authority debt outstanding. Should the NITC Authority be in danger of defaulting on its bonds, the Legislature would be under enormous pressure to make good on the payments. A failure of the debt of one Michigan state authority would reduce investor confidence in the rest of the authority debt, resulting in higher interest costs to the state.

10. NITC is a highly uncertain project that will, like the Mackinac Bridge, end up with a taxpayer guarantee.



Detroit River International Crossing is Not Financially Feasible Based on Available Traffic Projections

October 10, 2011

FOR IMMEDIATE RELEASE:

Conway MacKenzie, Inc (“CM”) reviewed the September 20, 2011 Anderson Economic Group’s (“Anderson”) report, *Building a New Bridge in Detroit: A Study Evaluating the Options*, and have included summary comments in this press release. CM further notes that the Anderson report does not address or comment on the findings contained in the CM May 2011 report. The findings in the CM May 2011 report are noted below:

- The Detroit River International Crossing (“DRIC”) project is not financially viable due to the estimated cash flow losses to the U.S. and/or Michigan approximating \$1.5 billion from 2016 through 2035;
- Due to the significant cash flow losses, no private investor would invest in the DRIC without a government guarantee;
- Risks such as lack of sufficient traffic volume (the Michigan Department of Transportation (“MDOT”) commissioned traffic and toll revenue study forecast which concluded that the traffic volumes will not exceed 1999 levels until 2028), cost overruns and timing delays, and uncertainty as to source of capital to fund the project, renders the decision to proceed with the DRIC unreasonable.

Even though the Anderson report does not directly address the CM May 2011 report, there are several areas of agreement between the reports. For example:

- The DRIC project is not financial feasible based on available traffic projections;
- Cost overruns are typical for large American infrastructure projects. In fact, the estimated total cost of the DRIC (exclusive of the Windsor Essex Parkway) determined by MDOT is lower than the Anderson average cost overrun estimate by approximately \$1.5 billion;
- There is a lack of executed legally binding contracts/commitments that guarantees the alleged willingness of the Canadian Government to cover all cash losses of the DRIC and the U.S. Government’s willingness to pay approximately \$264 million for customs operations.

Although CM did not perform a comparative cost analysis between the DRIC project and the Detroit International Bridge Company (“DIBC”) proposed second bridge span, CM agrees with the following Anderson report findings:

- Vehicles risk paying higher tolls if traffic volumes do not meet projected levels;
- Traffic volume not meeting projected levels would negatively impact the DRIC more than the DIBC due to the substantially higher construction costs.

The Anderson report references congestion problems and the related cost for delays as one of the reasons the DRIC should be built. Anderson draws on this conclusion citing a study published in 2002. CM questions the validity of the cited cost of congestion referenced in the Anderson report based on a dated study.

Nothing contained in the Anderson report changes the opinion or findings of the CM May 2011 report, regarding the financial viability of the DRIC. In fact, many statements made in the Anderson report further support CM’s opinion that the DRIC project is not financially feasible.

Conway MacKenzie, Inc. is an international consulting firm specializing in turnaround and crisis management, transaction advisory, litigation support, and valuation and forensic advisory services. The firm is headquartered in Detroit, Michigan and has offices in Houston, Dallas, Atlanta, Chicago, Dayton, Frankfurt, London, Los Angeles and New York.

May 12, 2011

Executive Summary

Conway MacKenzie ("CM") has been engaged by the Detroit International Bridge Company ("DIBC") to provide professional services related to estimating certain cash flows of building and operating the Detroit River International Crossing project ("DRIC"). Our findings are below:

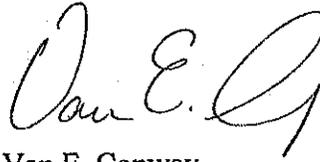
1. CM developed two cash flow scenarios for the U.S. and/or Michigan side of the DRIC quantifying the financial effects of building and operating the DRIC project: "CM Primary Calculation" and "CM Secondary Calculation."
2. Based upon CM's Primary Calculation, the estimated Total Cash Flow Loss to the U.S. and/or Michigan as a result of the DRIC project totals approximately \$1.5 billion from 2016 through 2035 and ranges annually from approximately \$84.9 million in 2016 to approximately \$67.1 million in 2035. Subsequent to 2035, the DRIC will continue to incur annual estimated Total Net Cash Flow Losses.
3. Based upon CM's Secondary Calculation and utilizing the more aggressive traffic volumes contained in the Wilbur Smith Report as well as operating expenses estimated by MDOT, the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan totals approximately \$1.2 billion from 2016 through 2035 and ranges annually from approximately \$76.5 million in 2016 to approximately \$41.7 million in 2035. Subsequent to 2035, the DRIC will continue to incur annual estimated Total Net Cash Flow Losses.
4. Utilizing the assumptions in CM's Primary Calculation, the estimated Total Net Cash Flow Loss to Canada totals approximately \$3.2 billion from 2016 through 2035 and ranges annually from approximately \$158.1 million in 2016 to approximately \$165.3 million in 2035. Subsequent to 2035, the DRIC will continue to incur annual estimated Total Net Cash Flow Losses.
5. The estimated Total Net Cash Flow Loss to the U.S. and/or Michigan and Canada totals approximately \$4.7 billion from 2016 through 2035. Subsequent to 2035, the DRIC will continue to incur annual estimated Total Net Cash Flow Losses.
6. Significant additional risks associated with the DRIC project include, but are not limited to, lack of a Business Plan, unknown operator with no historical financial track record, a lack of objective data to support cost estimates, actual traffic volumes could significantly vary from projected volumes, unidentified financing source or capital structure, delays in completion and increased bridge costs, and lack of required government approvals.

7. Based on the estimated Total Cash Flow Loss and significant additional risks identified above, the proposed financial investment in the DRIC project does not appear to be justified by the circumstances outlined.

The opinions expressed above are subject to change if additional information is received and reviewed after the date of this report.

Respectfully submitted,

Conway MacKenzie, Inc.



Van E. Conway

CONWAYMACKENZIE

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May 12, 2011

PRIVATE AND CONFIDENTIAL

Mr. Dan Stamper
President
Detroit International Bridge Company
12225 Stephens Road
Warren, MI 48089

Re: Financial Analysis of the Detroit River International Crossing Project

Dear Mr. Stamper:

Conway MacKenzie, Inc. ("CM") has been engaged by the Detroit International Bridge Company ("DIBC") to provide professional services related to estimating certain cash flow impacts of building and operating the Detroit River International Crossing project ("DRIC"), also referred to as the New International Trade Crossing project ("NITC"). For purposes of this report, CM will refer to this crossing as the DRIC.

Our understanding of the DRIC business model contemplated by the United States ("U.S.") and/or Michigan and Canadian Governments is that the private sector would build and operate the bridge and the U.S. and/or Michigan and Canadian Government agencies would jointly own the bridge. This report summarizes our analysis based upon information available to us as of the date of this report.

State of Michigan proponents of the DRIC have represented that the estimated DRIC Net Cash Flow Loss¹ will not be subsidized by Michigan taxpayers. However, management of the DIBC believes these statements are based on erroneous assumptions. As such, the DIBC asked us to perform an objective analysis of the cash flow impacts of building and operating the DRIC and to separately identify those cash flow impacts that would be attributable to the U.S. and/or Michigan and those cash flow impacts that would be attributable to Canada.

Based upon our analysis, and as is more fully discussed below, the estimated Total Net Cash Flow Loss² of the DRIC project from 2016 through 2035 attributable to the U.S. and/or Michigan and Canada are approximately \$1.5 billion and \$3.2 billion, respectively.

¹ Estimated DRIC Net Cash Flow Loss is defined as projected toll revenue less operating expenses (excluding depreciation), capital expenditures, and debt service.

² Estimated Total Net Cash Flow Loss is defined as the estimated DRIC Net Cash Flow Loss, plus estimated Lost Profits (cash flow) related to the Blue Water Bridge and Detroit-Windsor Tunnel, plus estimated Lost Taxes (cash flow) on profits from the Ambassador Bridge.

Refer to **Exhibit 1 and Exhibit 5.**³ It is important to note that subsequent to 2035, the DRIC will continue to incur annual estimated Total Net Cash Flow Losses.

Description of Engagement

We performed various procedures and reviewed many documents and analyses associated with our engagement, including, but not limited to, the following:

1. Wilbur Smith Associates (in association with IBI Group, Resource Systems Group, Inc., and the Centre for Spatial Economics) Preliminary Results of the Comprehensive Traffic and Toll Revenue Study for the Detroit River International Crossing Project Forecast Refresh and Update Report May 2010 (“Wilbur Smith Report”);
2. The Halcrow Group Limited Ambassador Bridge Traffic and Revenue Study 2009 Final Report (“Halcrow Report”);
3. The Halcrow Group Limited Ambassador Bridge Traffic and Revenue Study 2009 Final Report – Addendum (“Halcrow Addendum”);
4. DIBC historical financial statements and discussions with DIBC management regarding same;
5. Certain publicly available information including information contained on the Detroit River International Crossing website www.partnershipborderstudy.com;
6. Report to the Legislature of the State of Michigan responding to Public Act 116 of 2009, Section 384 prepared May 1, 2010 by MDOT;
7. MDOT’s Request for Proposal of Interest for the development of the Detroit River International Crossing and responses;
8. Blue Water Bridge Financial Statements - Canada;
9. Backgrounder Detroit River International Crossing: Financial Arrangement under a Public-Private Partnership (P3) (“Backgrounder”);
10. The New International Trade Crossing Project Overview by Transport Canada; and
11. Various press releases.

This report represents an estimated financial calculation including supporting assumptions and an evaluation of various other related issues. This report does not contain

³ Details in tables and Exhibits contained in this report may not foot to sum due to rounding.

any non-financial analysis of other factors that may be considered in the decision of building and operating the DRIC (e.g., U.S./Canada relations, national security concerns, border crossing time, positive/negative impact on communities near proposed site, etc.). In addition, this report does not conclude whether the DRIC should or should not be built, as this is a decision for the respective governments and taxpayers.

Our engagement is ongoing and, as such, our findings are subject to change as a result of further review, analysis and consideration of available and/or additional information.

Situational Background

For several years, certain representatives of the U.S., Canada, Michigan and Ontario Governments, and other non-governmental parties have promoted building the DRIC over the Detroit River to link Michigan's I-75 Freeway to Ontario's Highway 401. It is our understanding that building and operating the bridge would be under a public-private partnership arrangement ("P3"), the terms of which have yet to be determined. The DRIC would compete with the Ambassador Bridge, Detroit-Windsor Tunnel, and the Blue Water Bridge and displace significant traffic from these crossings to the DRIC. The current proposed site for the DRIC is approximately 1.8 miles southwest of the Ambassador Bridge.⁴ The planned opening is January, 2016, but could be delayed by legislative debate currently occurring in Michigan and various other factors⁵ In addition, CM believes no definitive timetable for the opening of the DRIC can be determined until construction contracts have been executed which has not occurred.

The Ambassador Bridge, along with the Detroit-Windsor Tunnel and Blue Water Bridge, are the three existing road crossings that link southeastern Michigan to southwestern Ontario. From 1972 to 1999, the average annual growth of automobile and commercial vehicle traffic for these crossings grew at approximately 2.4% and 5.6%, respectively. Between 1999 and 2009, automobile and commercial vehicle traffic for these crossings declined annually by approximately 6.6% and 3.2%, respectively. There were many factors that led to this decline including, but not limited to, border security tightening after the terrorist attacks of September 11, 2001, exchange rate changes, the economic downturn of the late 2000s, and the significant decline of the domestic automotive industry.

We also note overall traffic volumes were down approximately 43% in 2010 from the peak volume crossings of 1999. This traffic volume trend correlates with the decrease in the Ford/GM/Chrysler market share which decreased from 70% in 1999 to 45% in 2010. It is unlikely commercial vehicle traffic crossings in this region, related to the automotive industry, will increase significantly as the majority of new automotive facilities are being built outside of the U.S. and Canada in countries such as Mexico and

⁴ Wilbur Smith Report: DRIC Project Forecast Refresh and Update, ES 2.

⁵ Wilbur Smith Report: DRIC Project Forecast Refresh and Update, ES 2.

Mr. Dan Stamper
May 12, 2011
Page 4

China. In addition, the few facilities being built in the U.S. are primarily being built in the southern region.

To put the historical and projected vehicle crossings into perspective, the Halcrow Addendum projects total vehicle crossings through 2035 will NOT exceed 1999 vehicle crossings.⁶

According to Transport Canada ("TC") and the Michigan Department of Transportation ("MDOT"), the total cost of the DRIC project will approximate \$3.5⁷ billion and includes the I-75 Interchange, U.S. Customs Plaza, U.S. Inspection Plaza, Bridge, Canadian Toll Plaza, and the Windsor Essex Parkway.⁸

We have included all of these costs in our analysis except for the cost of the U.S. Customs Plaza ("GSA") (\$263.6 million). We assumed that the GSA build costs and annual operating costs will be funded by the U.S. Federal Government, and there will be no impact on the estimated DRIC Net Cash Flows. The exclusion of these costs from the calculation is the primary difference between previously reported estimated Total Net Cash Flow Loss calculations stated in television infomercials and amounts stated in this report. Whether the U.S. Government will approve these expenditures for the GSA build costs and additional operating costs going forward is another risk for the DRIC project being completed.

The approximate remaining \$3.3 billion (after excluding the GSA cost) included in this analysis is assumed to be repaid with interest at 8% over 25 years from cash flow produced by the DRIC. We further assumed that approximately \$1.0 billion of this financial obligation would be allocated to the U.S. and/or Michigan and approximately \$2.3 billion would be allocated to Canada. A description of these costs can be found in the following table and **Exhibit 8**.

⁶ The Halcrow Group Limited Ambassador Bridge Traffic and Revenue Study 2009 Final Report – Addendum, pg. 7 versus 1999 Public Border Operators Association reported vehicle crossings.

⁷ Recent reports have quoted the building cost of the DRIC as high as \$4 billion dollars. May 10, 2010, "Canadian official urges Michigan to approve Detroit River bridge," www.detnews.com.

⁸ The New International Trade Crossing Information Package, Pg 3.

Funding/Cost Per DRIC Project Component		
<u>Project Components</u>	<u>\$ Amount</u>	<u>Potential Funding Source</u>
I-75 Interchange (<i>note 1</i>)	\$385.9	Canadian Federal Funds
U.S. Customs Plaza (<i>note 1</i>)	150.0	Canadian Federal Funds
U.S. Inspection Plaza (GSA)	263.6	U.S. Federal Funds
Bridge	949.1	Private Financing (i.e., toll revenue)
Canadian Toll Plaza	387.6	Canadian Federal Funds
Windsor Essex Parkway	1400.0	Canadian Federal Funds
Total Project Cost	\$3,536.2	
Total Project Cost Less GSA	\$3,272.6	
U.S. and/or Michigan Project cost	\$1,010.5	
U.S. and/or Michigan Project cost %	31%	
Canada Project cost	\$2,262.2	
Canada Project cost %	69%	
	(In Millions)	

Note:
 (1) We have assumed that the I-75 Interchange and U.S. Customs Plaza will be funded by Canadian Funds pursuant to the reported \$550 million commitment. We have further assumed U.S. and/or Michigan will repay the \$550 million commitment.

It is important to note that there is no evidence that the funding of the above costs have been approved by either government or a private financier. Additionally, we have not obtained any independent third party confirmation to substantiate the above costs, such as executed contractor bids.

In addition, and as noted in the footnote in the table above, it has been reported that the Canadian Government has committed up to \$550 million to finance project components in Michigan (I-75 Interchange & U.S. Customs Plaza) that would not otherwise be funded by the public-private partnership or the U.S. and/or Michigan Government. It is our understanding that the terms of Canada's \$550 million commitment⁹ have not yet been negotiated, approved and/or finalized by Canada.¹⁰ That notwithstanding, we have assumed that the I-75 Interchange and U.S. Customs Plaza would be financed utilizing the \$550 million commitment.

It has also been reported that the Canadian Government will pay for Michigan's portion of the DRIC project and absorb all operating shortfalls.¹¹ However, we are not aware of any formal documentation to support this assertion. Additionally, we have not located any evidence on how the revenue displacement from the Blue Water Bridge and Detroit – Windsor Tunnel to the DRIC will be covered by any party, including Canada.

⁹ We have assumed that the \$550 million obligation is repaid to Canada from the estimated DRIC Net Cash Flows at a rate of 8% over 25 years and included as interest income for Canada.

¹⁰ April 2010, Letter to Governor Granholm from John Baird, P.C., M.P.

¹¹ As stated by Tom Shields, Spokesman for the NITC Coalition, April 29, 2011.

Estimated Total Net Cash Flow to U.S. and/or Michigan

We prepared two estimated Total Net Cash Flow Loss scenarios which will be referred to as the "CM Primary Calculation" and "CM Secondary Calculation." The CM Primary Calculation is primarily based on the Halcrow Report/Addendum. The CM Secondary Calculation is primarily based on the Wilbur Smith Report and the Backgrounder. As will be more fully discussed below, we believe the traffic volume projections contained in the Halcrow Addendum are more reasonable than the Wilbur Smith Report.

CM Primary Calculation

Estimated DRIC Net Cash Flow Loss to U.S. and/or Michigan

The first step in calculating the estimated DRIC Net Cash Flow Loss was to project total toll revenue based upon total projected crossing traffic volumes for the southeast Michigan/southwest Ontario region. We then allocated the total toll revenue to each of the road crossings, including the DRIC. Next, we projected cash outflows of the DRIC including, operating expenses (excluding depreciation), capital expenditures, and debt service. Lastly, we allocated the estimated DRIC Net Cash Flow Loss to the U.S. and/or Michigan.¹² Refer to **Exhibit 1** for more detail.

Toll Revenue

To project total toll revenue, we utilized 2010 toll rates¹³ adjusted annually by an estimated inflation rate of 2.2%.¹⁴ We then multiplied these toll rates by the crossing traffic volumes contained in the Halcrow Addendum. Refer to **Exhibit 3**.

We believe the crossing traffic volumes in the Halcrow Addendum versus the Wilbur Smith Report provide a reasonable basis to project total traffic crossings for the following reasons:

1) Halcrow's accuracy in previous projections vs. actual:

- Halcrow's 2010 projected crossing volumes were within 1% for commercial vehicles and 2% for automobiles.¹⁵

¹² Projected toll revenue and operating expenses were allocated 50% to the U.S. and/or Michigan and 50% to Canada.

¹³ Projected toll rates based on actual average toll rates at the Ambassador Bridge in the first quarter 2010.

¹⁴ The U.S. Bureau of Labor Statistics; the Puget Sound Economic Forecaster.

¹⁵ Based on CM's comparison of Halcrow's projected traffic volume crossings versus the Public Border Operators Association's actual 2010 crossings.

2) *The Wilbur Smith Report is perceived as optimistic by the investment community:*

- Certain investment analysts who have experience with large infrastructure projects believe the Wilbur Smith Report to be wildly optimistic.¹⁶

3) *Projections for proposed new toll facilities appear to consistently overestimate crossing traffic volumes:*

- A July 2008 report by the Center for Transportation Research at The University of Texas at Austin states a majority of toll road projects overestimated traffic levels in the first five years by at least 20% to 30%.¹⁷
- An S&P study by Bain in 2005 reviewed 104 toll road projects and concluded that volume projections were overestimated by approximately 30%.¹⁸

For all of the above reasons, we have used the Halcrow Addendum crossing traffic volumes in the CM Primary Calculation, as we find its projected volumes to have a reliable basis.

It should be noted that our calculation does not assume any capacity issues/constraints because total estimated crossing traffic volumes through 2035 (approximately 22.9 million automobiles and commercial vehicles in 2035) does not exceed the highest recorded annual traffic crossing volume of approximately 27.6 million for the three crossings in 1999.

With respect to toll rates, we believe, it is reasonable to assume that toll rates will only increase by inflation because of the increased competition for crossing traffic with the addition of the DRIC. We note the Ambassador Bridge has a much lower cost structure and could lower its toll rates in an attempt to maintain or increase market share. This would be a common business sense approach with increased competition. If we assumed that the DRIC lowered its toll rates in response, the estimated DRIC Net Cash Flow Loss would increase accordingly. It is important to note that we highlight this possible scenario to support our assumption that toll rates will only grow at the rate of inflation. As of the date of this report, no person affiliated with DIBC has advised us that this would be their strategy.

¹⁶ Washington D.C.-based International Finance Corp.

¹⁷ July 2008 Report by the Center of Transportation Research at the University of Texas at Austin: Actual vs. Forecasted Toll Usage: A Case Study Review.

¹⁸ Tollroad News – Bain's Guide to traffic & revenue studies – new book on forecasting error, April 2009.

The final requirement for our projected toll revenue calculation is to allocate our projected total toll revenue to the four crossings. We used the market share data from the Wilbur Smith Report for each year of the projection.

In 2010, market shares for total vehicle crossings at the Ambassador Bridge, Blue Water Bridge, and Detroit-Windsor Tunnel approximated 47%, 32% and 21%, respectively.¹⁹ Based on the Wilbur Smith Report, from 2016 through 2035, market shares for these same crossings are expected to decline by approximately 44%, 23%, and 22%, respectively, as a result of the shift in traffic volumes to the DRIC. It is noteworthy to point out that in 2016 approximately 34%, or \$21.3 million, of the DRIC's traffic volume is merely the result of a revenue shift from one government owned entity to another.

Operating Expenses

In order to arrive at the estimated DRIC Net Cash Flow Loss attributable to U.S. and/or Michigan, operating expenses are required to be deducted from the projected DRIC toll revenues. Operating expenses include salaries, wages, and fringe benefits for bridge and administrative personnel as well as bridge maintenance, insurance, taxes, utilities, and rent. To estimate the total DRIC operating expenses, we assumed operating expenses of the DRIC would approximate \$15.2 million or approximately \$7.6 million for the U.S. and/or Michigan in 2016, consistent with the historical operating expenses of the Ambassador Bridge.²⁰ We compared this estimate to the Blue Water Bridge total pro-forma operating expenses for 2009 of approximately \$15.6 million and deemed the estimate to be reasonable.²¹ After 2016, operating expenses were increased annually by inflation given the high fixed cost structure of the business.

We believe using the Ambassador Bridge operating expenses as the basis for projecting operating expenses for the DRIC project is a conservative approach because operating expenses as a percentage of toll revenue for the Ambassador Bridge (24%) are lower than other bridges in which operating expense information is publicly available. For example, operating expenses as a percentage of toll revenue for the Peace Bridge of 74%, Blue Water Bridge – Canadian side of 57%, and Detroit-Windsor Tunnel – Canadian side of 64%, are all significantly higher than the 2016 estimated DRIC operating expense ratio of 24% which was utilized for the CM Primary Calculation.

It is also important to note that our projected DRIC operating cost analysis does not include other required operating costs related to Customs and Border Protection (e.g., customs agents, Nexus border pass operations, patrol cars, customs booths, etc) which are not repaid in our calculation. DIBC management estimates these costs could exceed

¹⁹ Public Border Operators Association (PBOA) reported crossings.

²⁰ CM adjusted Ambassador Bridge actual operating expenses for repair and maintenance, non-cash, and other non-recurring items that would likely not be applicable to the DRIC.

²¹ Blue Water Bridge Authority Summary of Operating Budget Summary of Capital Budget Canada multiplied by two.

approximately \$22 million on an annual basis. For purposes of our report we excluded these costs and assumed that they would be funded by the Federal Government.²²

For conservatism, we assumed no capital expenditures through 2035 (consistent with the Wilbur Smith report) when calculating the estimated DRIC Net Cash Flow Loss.

Cost of Bridge/Cost of Capital

Cost of Bridge

In order to arrive at the estimated DRIC Net Cash Flow Loss, the cost to finance the construction of the bridge must be calculated and subtracted from projected revenue after operating expenses. As previously discussed, we assumed approximately \$3.3 billion as the total cost of the DRIC project. Again, the \$263.6 million (GSA) has been excluded from our analysis as shown in the following table.

The New International Trade Crossing Project Overview							
	I-75 I/Change	Toll U.S. Customs Plaza	Bridge	Canadian Toll Plaza	Windsor Essex Parkway	Total	Annual Principal & Interest
Total	\$385.9	\$150.0	\$949.1	\$387.6	\$1,400.0	\$3,272.6	\$306.6
U.S. and/or Michigan	385.9	150.0	474.6	-	-	1,010.5	94.7
Canada	-	-	474.6	387.6	1,400.0	2,262.2	211.9
U.S. and/or Michigan %	100.0%	100.0%	50.0%	-	-	30.9%	30.9%
Canada %	-	-	50.0%	100.0%	100.0%	69.1%	69.1%
(In Millions)							
Notes:							
The U.S. Customs Plaza cost of \$150.0 million excludes the GSA cost of \$263.6.							
Above build cost and allocation utilized in Primary and Secondary Calculation.							
Source:							
The New International Trade Crossing Project Overview.							

We were not able to obtain and review a detailed build-up of the above estimated DRIC costs including bids from qualified bridge construction contractors. Had we been able to review the detailed build-up of the above construction costs, we would have analyzed the material cost assumptions used to arrive at the bridge cost amounts because certain material (steel, etc.) costs can increase at rates greater than inflation. Based on this review, we may have found that the total costs of the DRIC appear high, low, or

²² We were unable to independently verify these cost estimates as of the date of this report so these costs are excluded from our operating expense analysis.

reasonable. However, since we have no detailed cost build-up, and the cost information listed above was the only publicly available information we were able to obtain, we used these total bridge costs in our estimated DRIC Net Cash Flow Loss calculation.

Furthermore, we note that historically, significant cost overruns have occurred for the construction of bridges. For example, in the State of Michigan, a 57% cost overrun occurred for the refurbishment of Zilwaukee Bridge in 1987.²³ Moreover, the Port Mann and Golden Ears Bridge projects in Canada incurred significant cost overruns.²⁴ Finally, according to a 2002 study contained in The Journal of the American Planning Association, North American bridge construction project costs exceeded their initial estimates by 25.7%.²⁵

Cost of Capital

We assumed that certain bridge costs will not be subsidized by the U.S. and/or Michigan governments and therefore will need to be repaid with a rate of return. Under both the CM Primary and CM Secondary calculation, debt service for the U.S. and/or Michigan will approximate \$94.7 million annually. A description of the approximate \$94.7 million annual debt service calculation is described later in this report.

MDOT requested and received numerous Proposals of Interests from firms with experience in developing and/or financing large transportation infrastructure projects. Many of these firms also have experience with P3 arrangements. Given the preliminary stage of the proposed DRIC project, the Proposals of Interest reviewed by CM did not provide a definitive capital structure and/or required rate of return on the project. Many of the proposals indicated that the capital structure and rate of return would depend on numerous factors including whether the financing would be paid back via toll revenues, availability payments (guaranteed payments made by government project sponsor), or a combination of the two. The reviewed proposals indicated that if the financing was only going to be repaid from toll revenues, this would likely result in a higher cost of capital due to increased risk. If the financing was going to be guaranteed/partially guaranteed with availability payments from the government, this would likely result in a lower cost of capital. Certain government representatives, in both U.S. and Canada, have indicated that the DRIC would not be subsidized with government dollars. This is inconsistent with many of the Proposals of Interest that have indicated that a government availability payment structure would be preferable. This preference could be related to the lack of confidence in the ability of the DRIC to repay its debt from operating cash flows.

²³ Refer to article entitled "Two years later, MDOT still investigating Zilwaukee Bridge maintenance mishap that closed span for months" According to Barrie Barber of Saginaw News, November 28, 2010.

²⁴ Refer to article entitled "Port Mann Bridge is just the latest B.C. boondoggle in the making" by Maureen Bader, March 10, 2009, and article entitled "P3 bridge costs ramp up" by Nick Rockel, December 8, 2005 from www.straight.com.

²⁵ Flyvberg, Holm, and Buhl, "Underestimating Costs in Public Works Projects, Error or Lie?", Journal of the American Planning Association, Vol. 68, No. 3, Summer 2002.

Based upon the available projected financial information of the DRIC, we believe that without a government subsidy or guarantee, the DRIC could not obtain financing because the projected financial results are a significant annual cash loss. However, we have been asked to calculate the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan as a result of the DRIC project so, in order to perform that calculation, we have assumed the project would be able to obtain financing.

Recent infrastructure bond issuances indicate that for a BBB- rated bond, the coupon ranged from approximately 5% – 7% for a term of 9 to 25 years.²⁶ To account for the likely scenario that the DRIC project would include subordinated tranches of debt (more risk, higher interest rate) and an equity return (yet higher return) component, we assumed a overall rate of return of 8% for the entire cost of the project and a 25 year term. It would be reasonable to assume the required rate of return for this project would be significantly higher for private investors who assumed the risk of operating losses. However, we chose to be conservative with our capital structure assumptions. It is important to note that we believe that without a government guarantee, the cost of capital for the DRIC project could be significantly in excess of our 8% assumption.

Utilizing the terms stated above, the total annual principal and interest payments would approximate \$306.6 million for 25 years. See table below for further detail.

ESTIMATED DEBT SERVICE CALCULATION			
<u>Stated Annually</u>	<u>U.S./Michigan</u>	<u>Canada</u>	<u>Total</u>
Estimated DRIC Project Cost (Less GSA)	1,010.5	2,262.2	3,272.6
Term (Years)	25	25	25
Interest Rate	8.0%	8.0%	8.0%
Estimated Annual Debt Service	(\$94.7)	(\$211.9)	(\$306.6)
	(In Millions)		

Based upon our determination of projected toll revenue, operating expenses, and the cost of bridge/cost of capital, the estimated DRIC Net Cash Flow Loss attributable to the U.S. and/or Michigan from 2016 through 2035 totals approximately \$1.1 billion and ranges annually from approximately \$70.7 million in 2016 to approximately \$40.1 million in 2035. Again, it is important to note that Subsequent to 2035, the DRIC will continue to incur annual estimated Total Net Cash Flow Losses. Refer to the table below and **Exhibit 1**.

²⁶ Toll Road Debt Secondary Trading Levels, Bloomberg.

ESTIMATED DRIC NET CASH FLOW LOSS TO U.S. and/or MICHIGAN			
Primary Calculation	FY 2016	FY 2035	FY 2016 - 2035
DRIC Revenue	\$63.1	\$132.2	\$1,868.6
Operating Expenses	(15.2)	(23.0)	(376.8)
Capital Expenditures	0.0	0.0	0.0
Estimated DRIC Net Cash Flow Before Debt Service	\$47.9	\$109.2	\$1,491.7
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
U.S. and/or Michigan DRIC Net Cash Flow Before Debt Service	\$23.9	\$54.6	\$745.9
Principal and Interest	(306.6)	(306.6)	(6,131.5)
U.S. and/or Michigan Debt Service Allocation %	31%	31%	31%
U.S. and/or Michigan Principal and Interest	(\$94.7)	(\$94.7)	(\$1,893.2)
Estimated DRIC Net Cash Flow Loss	(\$70.7)	(\$40.1)	(\$1,147.3)
	(In Millions)		

Estimated Lost Profits (Cash Flow)

The next step in determining the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan is to consider the estimated Lost Profits (cash flow) from the Blue Water Bridge and Detroit-Windsor Tunnel as a result of traffic volumes shifting to the DRIC.²⁷

As previously discussed in this report, market shares of the Blue Water Bridge and Detroit-Windsor Tunnel are estimated to decline approximately 23% and 22%, respectively, as a result of the DRIC. Based upon our review of the operating cost structure of the Ambassador Bridge, we determined that approximately 7% of the operating costs for the Ambassador Bridge were variable. However, for purposes of the above calculation, we considered the revenue loss to be so significant that management of the Blue Water Bridge and Detroit-Windsor Tunnel would also be required to reduce fixed costs. As such, we assumed an operating expense reduction of 25% on projected lost toll revenue. Finally, we assumed that 50% of the operating profits belong to U.S. and/or Michigan. Our findings are summarized in the following table. Also, refer to **Exhibit 1**.

²⁷ Lost Profits (cash flow) are defined as projected lost revenue reduced for estimated operating expenses at the Blue Water Bridge and the Detroit-Windsor Tunnel.

ESTIMATED LOST PROFITS (CASH FLOW) TO U.S. and/or MICHIGAN	
<u>Primary Calculation</u>	<u>FY 2016</u>
Estimated Total Lost Revenue - Blue Water Bridge & Detroit - Windsor Tunnel	(\$21.3)
Operating Expenses	5.3
Net Profit (cash flow) (Loss)	(\$16.0)
U.S. and/or Michigan Allocation	50%
Estimated Lost Profits (Cash Flow) to U.S. and/or Michigan	(\$8.0)
	(In Millions)

Estimated Lost Taxes (Cash Flow)

We assumed the DRIC will not pay income taxes. This means the U.S. and/or Michigan will lose income taxes on estimated lost Ambassador Bridge profits as a result of traffic volumes shifting to the DRIC. Our calculation is shown in the table below for 2016:

ESTIMATED LOST TAXES (CASH FLOW) TO U.S. and/or MICHIGAN	
<u>Primary Calculation</u>	<u>FY 2016</u>
Total Lost Revenue - Ambassador Bridge	(\$41.2)
Operating Expense	10.3
Net Profit (Loss)	(30.9)
U.S. and/or Michigan Allocation %	50%
U.S. and/or Michigan Allocation Net Profits (Loss)	(15.5)
Tax Rate	40%
Estimated Lost Taxes (Cash Flow) to U.S. and/or Michigan	(\$6.2)
	(In Millions)

Conclusion

Based on the conservative assumptions utilized above, the estimated Total Net Cash Flow Loss attributable to the U.S. and/or Michigan as a result of the DRIC project totals approximately \$1.5 billion from 2016 through 2035 and ranges annually from approximately \$84.9 million in 2016 to approximately \$67.1 million in 2035. It should be noted that subsequent to 2035, the DRIC will continue to incur annual estimated Total Net Cash Flow Losses. Refer to the table below and **Exhibit 1**.

ESTIMATED TOTAL NET CASH FLOW LOSS TO U.S. and/or MICHIGAN			
<u>Primary Calculation</u>	<u>FY 2016</u>	<u>FY 2035</u>	<u>FY 2016 - 2035</u>
U.S. and/or Michigan Allocation of Estimated DRIC Net Cash Flow Loss	(\$70.7)	(\$40.1)	(\$1,147.3)
Estimated Lost Profits (cash flow) of Government Owned Crossings to U.S. and/or Michigan	(8.0)	(12.5)	(202.7)
Estimated Lost Income Tax (cash flow) - U.S. and/or Michigan	(6.2)	(14.6)	(195.9)
Estimated Total Net Cash Flow Loss to U.S. and/or Michigan	(\$84.9)	(\$67.1)	(\$1,545.9)
	(In Millions)		

CM Secondary Calculation

As we discussed above, the CM Primary Calculation was based upon the Halcrow Report/Addendum and our analysis of the Ambassador Bridge's historical financial statements and resulted in an estimated Total Net Cash Flow Loss of approximately \$1.5 billion from 2016 through 2035.

We also performed a Secondary Calculation using the more aggressive traffic volume assumptions contained in the Wilbur Smith Report as well as operating expenses estimated by MDOT which we believe are unreasonable.²⁸ It is important to note that even in the Wilbur Smith Report, projected total traffic crossing volumes do not exceed 1999 traffic volume levels until 2028, 17 years from now. Under CM's Secondary Calculation methodology, the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan is approximately \$1.2 billion from 2016 through 2035 and ranges annually from approximately \$76.5 million in 2016 to approximately \$41.7 million in 2035. Our calculations are summarized in the following table. Also, refer to **Exhibit 2**.

SECONDARY CALCULATION			
ESTIMATED TOTAL NET CASH FLOW LOSS TO U.S. and/or MICHIGAN			
<u>Secondary Calculation</u>	<u>FY 2016</u>	<u>FY 2035</u>	<u>FY 2016 - 2035</u>
U.S. and/or Michigan Allocation of Estimated DRIC Net Cash Flow Loss	(\$60.9)	\$2.0	(\$622.1)
Estimated Lost Profits (cash flow) of Government Owned Crossings to U.S. and/or Michigan	(8.7)	(24.5)	(322.4)
Estimated Lost Income Tax (cash flow) - U.S. and/or Michigan	(6.9)	(19.2)	(255.8)
Estimated Total Net Cash Flow Loss to U.S. and/or Michigan	(\$76.5)	(\$41.7)	(\$1,200.3)
	(In Millions)		

²⁸ MDOT estimated annual operating expenses are approximately \$2.7 million. MDOT's estimate is a small fraction of the 2009 pro forma operating expenses reported by the Blue Water Bridge of approximately \$15.6 million.

Below is a summary comparing the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan between the CM Primary Calculation and the CM Secondary Calculation in 2016.

<u>FY 2016</u>	<u>CM Primary Calculation</u>	<u>CM Secondary</u>	<u>Difference</u>
U.S. and/or Michigan Allocation of Estimated DRIC Net Cash Flow Loss	(\$70.7)	(\$60.9)	\$9.8
Estimated Lost Profits (cash flow) of Government Owned Crossings to U.S. and/or Michigan	(8.0)	(8.7)	(0.7)
Estimated Lost Income Tax (cash flow) - U.S. and/or Michigan	(6.2)	(6.9)	(0.8)
Estimated Total Net Cash Flow Loss to U.S. and/or Michigan	(\$84.9)	(\$76.5)	\$8.4
	(In Millions)		

Under both calculation scenarios, the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan is significant.

Estimated Total Net Cash Flow Loss to Canada

We also estimated the Total Net Cash Flow Loss attributable to Canada as a result of the DRIC project by utilizing the same assumptions, including the cost of capital assumption, we used above for the CM Primary Calculation. CM was not able to obtain publicly available information regarding the proposed capital structure for Canada and therefore, utilized the U.S. and/or Michigan cost of capital assumptions.

Based upon our analysis, the estimated Total Net Cash Flow Loss attributable to Canada approximates \$3.2 billion from 2016 through 2035 and ranges annually from approximately \$158.1 million in 2016 to approximately \$165.3 million in 2035. Our findings are summarized in the following table and at **Exhibit 5**.

ESTIMATED TOTAL NET CASH FLOW LOSS TO CANADA			
<u>Primary Calculation</u>	<u>FY 2016</u>	<u>FY 2035</u>	<u>FY 2016 - 2035</u>
Canada Allocation of Estimated DRIC Net Cash Flow	(\$144.0)	(\$138.3)	(\$2,806.3)
Estimated Lost Profits (cash flow) of Government Owned Crossings to Canada	(8.0)	(12.5)	(202.7)
Estimated Lost Income Tax (cash flow) - Canada	(6.2)	(14.6)	(195.9)
Estimated Total Net Cash Flow Loss to Canada	(\$158.1)	(\$165.3)	(\$3,204.9)
	(In Millions)		

Estimated Total Net Cash Flow Loss (U.S. and/or Michigan and Canada)

Based upon the forgoing analysis, the estimated Total Net Cash Flow Loss to U.S. and/or Michigan and Canada as a result of the DRIC project totals approximately \$4.7 billion from 2016 through 2035 and ranges from approximately \$243.0 million in 2016 to approximately \$232.4 million in 2035. Our findings are summarized in the table below and in **Exhibit 9**.

TOTAL NET CASH FLOW LOSS U.S. and/or MICHIGAN and CANADA			
<u>Primary Calculation</u>	<u>FY 2016</u>	<u>FY 2035</u>	<u>FY 2016 - 2035</u>
Estimated DRIC Net Cash Flow Loss	(\$214.7)	(\$178.3)	(\$3,953.5)
Estimated Lost Profits (cash flow) of Government Owned Crossings	(\$16.0)	(\$25.0)	(\$405.4)
Estimated Lost Income Tax (cash flow) - Ambassador Bridge	(\$12.4)	(\$29.1)	(\$391.8)
Estimated Total Net Cash Flow Loss	(\$243.0)	(\$232.4)	(\$4,750.8)
	(In Millions)		

Estimated Total Market Toll Revenue vs. Debt Service

To put the estimated Total Net Cash Flow Loss of building the DRIC project into context, even if one were to assume that the DRIC captured 100% of the market, projected total annual toll revenues would fall substantially short of meeting its estimated annual debt service requirements before consideration of any other expenses. To illustrate this point and as is shown in the table below, 2016 projected toll revenues for the entire market is estimated at approximately \$159.2 million. However, the DRIC's annual debt service requirements are estimated at \$306.6 million, almost double the estimated market revenues for that year. In short, from a business perspective, the DRIC is not a viable investment whereby it can pay its operating expenses and costs of capital. See following table for further detail.

ESTIMATED DEBT SERVICE IN EXCESS OF TOTAL MARKET REVENUE			
<u>2016 Primary Calculation</u>	<u>U.S./Michigan</u>	<u>Canada</u>	<u>Total</u>
Estimated Total Market Toll Revenue	\$79.6	\$79.6	\$159.2
Estimated Total Debt Service	(94.7)	(211.9)	(306.6)
Estimated Total Debt Service in Excess of Total Market Revenue	(\$15.1)	(\$132.3)	(\$147.4)
	(In Millions)		

Break-Even Analysis

Even assuming the DRIC could address the estimated financial shortfall discussed above by increasing its toll rates, the DRIC would have to increase projected toll rates by 134% to cover the shortfall discussed above. At this toll rate level, the DRIC would not be competitive with other crossings and consequently, not a viable solution. Our calculation is summarized in the table below.

ESTIMATED DRIC BREAK-EVEN ANALYSIS	
<u>Primary Calculation</u>	<u>FY 2016</u>
DRIC Estimated Crossing Volumes	5.7
DRIC Estimated Toll Revenue	\$63.1
Blended Toll Rate	\$11.05
Estimated Total Net Cash Flow Loss	\$84.9
DRIC Toll Revenue	63.1
Total Revenue to Cover Cash Flow Short Fall	148.0
DRIC Crossing Volumes	5.7
Total Revenue to Cover Cash Flow Short Fall	148.0
Toll Rate to Cover Cash Flow Short Fall	\$25.92
Toll Rate Increase to Cover Cash Flow Short Fall	134%

(In Millions) Excluding Toll Rates and Percentages

Volume Sensitivity

We acknowledge that the calculation of the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan is sensitive to certain factors and assumptions. For instance, the crossing traffic volumes projected in both the Halcrow Addendum and the Wilbur Smith Report depend on many factors including, but not limited to, overall economic growth (GDP), automotive production in the U.S. and Canada, population and demographics, exchange rates, and gas prices.

For purposes of providing sensitivity around the estimated Total Net Cash Flow Loss calculation related to crossing traffic volume, we increased crossing traffic volumes by 5%. Increasing crossing traffic volumes by 5% in 2016, results in only an approximate \$1.8 million reduction to CM's estimated Total Net Cash Flow Loss calculation. This analysis illustrates that changes in traffic volume assumptions do not materially change our Total Net Cash Flow Loss amount. See table below for further detail.

ESTIMATED TOTAL NET CASH FLOW LOSS TO U.S. and/or MICHIGAN WITH 5% VOLUME INCREASE vs. PRIMARY CALCULATION			
FY 2016	CM Primary Calculation	5% Volume Increase Calculation	Difference
U.S. and/or Michigan Allocation of Estimated DRIC Net Cash Flow Loss	(\$70.7)	(\$66.9)	\$3.8
Estimated Lost Profits (cash flow) of Government Owned Crossings to U.S. and/or Michigan	(8.0)	(9.3)	(1.3)
Estimated Lost Income Tax (cash flow) - U.S. and/or Michigan	(6.2)	(6.9)	(0.7)
Estimated Total Net Cash Flow Loss to U.S. and/or Michigan	(\$84.9)	(\$83.1)	\$1.8
		(In Millions)	

Project Risks

Notwithstanding the quantitative analysis herein, there are a number of other factors associated with the DRIC project that could significantly impact the success or failure of the project. CM believes these other factors increase the overall risk of the DRIC project. These other risk factors include, but are not limited to, the following:

1. No DRIC business plan, inclusive of financial projections;
2. No comprehensive analysis has been published that defines the economic benefit of the DRIC;
3. Unknown operator with no historical track record;
4. Unidentified financing source or structure;
 - a. Given CM's calculation, financing source unlikely;
 - b. Operators have expressed an availability payment structure preference which is inconsistent with the government's proposed structure;
5. Lack of required government approvals;
6. No written plan that addresses how the financial shortfall of the DRIC will be covered; and
7. U.S. and state budgets deficits, and risk of new federal and state projects not getting approved.

In addition to the above factors, CM referenced earlier in this report that cost overruns for infrastructure projects are common. Also, the timing of the DRIC project

Mr. Dan Stamper
May 12, 2011
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Conclusion

Based upon the analysis we performed above, the estimated Total Net Cash Flow Loss attributable to the U.S. and/or Michigan as a result of the DRIC project approximates \$1.5 billion from 2016 through 2035 and ranges annually from approximately \$84.9 million in 2016 to approximately \$67.1 million in 2035. Combining the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan with the approximate \$3.2 billion Canadian shortfall, results in a total shortfall associated with the DRIC project of approximately \$4.7 billion.

Even if we used the more aggressive assumptions contained in the Wilbur Smith report and operating expenses estimated by MDOT, the estimated Total Net Cash Flow Loss to the U.S. and/or Michigan approximates \$1.2 billion from 2016 through 2035 which, if combined with the approximate \$2.9 billion Canadian shortfall, it results in a total shortfall associated with the DRIC project of approximately \$4.1 billion.

This report is an estimated financial calculation only and does not include non-financial analyses (e.g., U.S. /Canada relations, national security concerns, border crossing time, positive/negative impact on communities near proposed site, etc.) which may be considered in the decision of building and operating the DRIC.

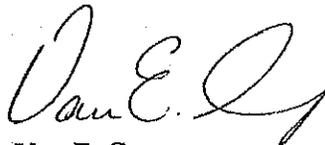
The opinions expressed herein are subject to change if additional information is received and reviewed after the date of this report.

* * * * *

We would be pleased to discuss further the contents of this report with DIBC, and we appreciate the opportunity to be of service in this matter.

Respectfully submitted,

CONWAY MACKENZIE, INC.



Van E. Conway

EXHIBIT 1: ESTIMATED TOTAL NET CASH FLOW LOSS TO U.S. and/or MICHIGAN			
Primary Calculation	FY 2016	FY 2035	FY 2016 - 2035
DRIC Revenue			
Revenue From Ambassador	\$41.2	\$97.1	\$1,306.2
Revenue From Blue Water Bridge	15.7	32.9	470.5
Revenue From Detroit-Windsor Tunnel	5.6	0.3	70.1
Blue Water Bridge/DRIC Toll Variance Adjustment	0.6	1.7	21.8
Estimated Total Revenue	\$63.1	\$132.2	\$1,868.6
Operating Cost (With Inflation)	(15.2)	(23.0)	(376.8)
Capital Expenditures	-	-	-
Net Operating Profit (Loss)	\$47.9	\$109.2	\$1,491.7
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
U.S. and/or Michigan Operating Profit	\$23.9	\$54.6	\$745.9
Debt Service - Principal & Interest	(306.6)	(306.6)	(6,131.5)
U.S. and/or Michigan Debt Service Allocation %	31%	31%	31%
U.S. and/or Michigan Debt Service	(\$94.7)	(\$94.7)	(\$1,893.2)
Estimated DRIC Net Cash Flow Loss to U.S. and/or Michigan	(\$70.7)	(\$40.1)	(\$1,147.3)
Lost Profits of Government Owned Crossings	(16.0)	(25.0)	(405.4)
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
Estimated Lost Profits (cash flow) of Government Owned Crossings to U.S. and/or Michigan	(\$8.0)	(\$12.5)	(\$202.7)
Lost Profits of Ambassador Bridge	(30.9)	(72.9)	(979.6)
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
U.S. and/or Michigan Lost Profit of Ambassador Bridge	(15.5)	(36.4)	(489.8)
Tax Rate	40%	40%	40%
Estimated Lost Income Tax (cash flow) - U.S. and/or Michigan	(\$6.2)	(\$14.6)	(\$195.9)
Estimated Total Net Cash Flow Loss to U.S. and/or Michigan	(\$84.9)	(\$67.1)	(\$1,545.9)

(In Millions)

EXHIBIT 2: ESTIMATED TOTAL NET CASH FLOW LOSS TO U.S. and/or MICHIGAN

<u>Secondary Calculation</u>	<u>FY 2016</u>	<u>FY 2035</u>	<u>FY 2016 - 2035</u>
DRIC Revenue			
Revenue From Ambassador	\$46.3	\$128.2	\$1,705.3
Revenue From Blue Water Bridge	16.6	45.6	609.3
Revenue From Detroit-Windsor Tunnel	6.6	19.7	250.4
DRIC Revenue Other (Motorcycle, etc.)	0.5	1.4	18.6
Blue Water Bridge/DRIC Toll Variance Adjustment	0.4	1.2	14.4
Estimated Total Revenue	\$70.4	\$196.1	\$2,597.9
Operating Cost (With Inflation)	(2.8)	(2.8)	(55.9)
Capital Expenditures	-	-	-
Net Operating Profit	\$67.6	\$193.3	\$2,542.1
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
U.S. and/or Michigan Operating Profit	\$33.8	\$96.7	\$1,271.0
Debt Service - Principal & Interest	(306.6)	(306.6)	(6,131.5)
U.S. and/or Michigan Debt Service Allocation %	31%	31%	31%
U.S. and/or Michigan Debt Service	(94.7)	(94.7)	(1,893.2)
Estimated DRIC Net Cash Flow Loss to U.S. and/or Michigan	(\$60.9)	\$2.0	(\$622.1)
Lost Profits of Government Owned Crossings	(17.4)	(49.0)	(644.8)
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
Estimated Lost Profits (cash flow) of Government Owned Crossings to U.S. and/or Michigan	(\$8.7)	(\$24.5)	(\$322.4)
Lost Profits of Ambassador Bridge	(34.7)	(96.2)	(1,279.0)
U.S. and/or Michigan Operating Allocation %	50.0%	50.0%	50.0%
U.S. and/or Michigan Lost Profit of Ambassador Bridge	(17.4)	(48.1)	(639.5)
Tax Rates	40%	40%	40%
Estimated Lost Income Tax (cash flow) - U.S. and/or Michigan	(\$6.9)	(\$19.2)	(\$255.8)
Estimated Total Net Cash Flow Loss to U.S. and/or Michigan	(\$76.5)	(\$41.7)	(\$1,200.3)

(In Millions)

EXHIBIT 3: HALCROW TRAFFIC SCENARIO (ADJUSTED FOR DRIC)

Primary Calculation

Year	AMBASSADOR BRIDGE			Blue Water Bridge			DETROIT - WINDSOR TUNNEL			DRIC			TOTAL		
	Cars	Trucks	Total	Cars	Trucks	Total	Cars	Trucks	Total	Cars	Trucks	Total	Cars	Trucks	Total
*2009	4.19	2.28	6.47	3.13	1.34	4.47	3.89	0.06	3.95	-	-	-	11.21	3.68	14.89
2010	4.54	2.68	7.22	3.31	1.43	4.74	3.50	0.06	3.56	-	-	-	11.35	4.17	15.52
2011	4.31	2.78	7.09	3.31	1.56	4.87	3.71	0.05	3.76	-	-	-	11.33	4.39	15.72
2012	4.46	2.83	7.29	3.39	1.60	4.99	3.85	0.06	3.91	-	-	-	11.70	4.49	16.19
2013	4.56	3.03	7.59	3.45	1.66	5.11	3.93	0.06	3.99	-	-	-	11.94	4.75	16.69
2014	4.64	3.07	7.71	3.51	1.67	5.18	3.98	0.07	4.05	-	-	-	12.13	4.81	16.94
2015	4.72	3.13	7.85	3.57	1.69	5.26	4.00	0.07	4.07	-	-	-	12.29	4.89	17.18
2016	2.95	1.65	4.59	3.11	1.07	4.17	2.90	0.05	2.95	3.49	2.22	5.71	12.44	4.98	17.42
2017	2.97	1.68	4.65	3.15	1.08	4.23	2.93	0.05	2.98	3.53	2.25	5.78	12.58	5.06	17.64
2018	3.00	1.71	4.71	3.19	1.10	4.29	2.97	0.06	3.02	3.56	2.29	5.85	12.72	5.15	17.87
2019	3.03	1.75	4.79	3.24	1.12	4.36	3.01	0.06	3.07	3.60	2.34	5.94	12.88	5.28	18.16
2020	3.06	1.79	4.85	3.28	1.14	4.42	3.04	0.06	3.11	3.63	2.39	6.02	13.01	5.39	18.40
2021	3.09	1.83	4.92	3.32	1.17	4.49	3.09	0.07	3.15	3.67	2.44	6.11	13.17	5.50	18.67
2022	3.12	1.87	4.99	3.36	1.19	4.55	3.12	0.07	3.19	3.70	2.49	6.18	13.30	5.61	18.91
2023	3.15	1.91	5.06	3.41	1.21	4.62	3.16	0.07	3.24	3.73	2.53	6.27	13.46	5.72	19.18
2024	3.18	1.95	5.13	3.46	1.23	4.69	3.21	0.08	3.28	3.77	2.58	6.36	13.62	5.84	19.46
2025	3.21	1.99	5.20	3.50	1.25	4.76	3.25	0.08	3.33	3.81	2.64	6.44	13.77	5.96	19.73
2026	3.25	2.02	5.27	3.55	1.27	4.82	3.29	0.08	3.37	3.84	2.68	6.52	13.93	6.06	19.99
2027	3.28	2.07	5.35	3.60	1.30	4.90	3.33	0.09	3.42	3.89	2.73	6.62	14.10	6.19	20.29
2028	3.32	2.10	5.42	3.65	1.32	4.98	3.37	0.09	3.47	3.93	2.79	6.72	14.27	6.31	20.58
2029	3.35	2.15	5.50	3.71	1.35	5.06	3.42	0.10	3.52	3.97	2.84	6.82	14.45	6.44	20.89
2030	3.39	2.19	5.58	3.76	1.38	5.14	3.47	0.11	3.57	4.02	2.90	6.92	14.64	6.58	21.22
2031	3.43	2.23	5.66	3.82	1.41	5.22	3.51	0.11	3.63	4.07	2.96	7.03	14.83	6.71	21.54
2032	3.47	2.27	5.74	3.88	1.43	5.31	3.56	0.12	3.68	4.12	3.02	7.13	15.03	6.84	21.87
2033	3.51	2.32	5.83	3.93	1.46	5.40	3.61	0.13	3.74	4.17	3.08	7.24	15.23	6.98	22.21
2034	3.56	2.36	5.92	3.99	1.49	5.48	3.66	0.13	3.80	4.22	3.14	7.35	15.43	7.12	22.55
2035	3.60	2.41	6.01	4.06	1.52	5.58	3.72	0.14	3.86	4.27	3.20	7.47	15.65	7.26	22.91

(In Millions)

*2009 traffic figures observed per Halcrow 2009 Ambassador Bridge Traffic Study, May 2010, Addendum Table A8

Notes:
 Figures reported above represent Halcrows Traffic and Revenue Study, May 2010, Addendum Table A8
 Starting in year 2016, CM allocated certain volumes from Halcrow's projections to DRIC to be consistent with DRIC market share reported in the Wilbur Smith Report

EXHIBIT 4: CM PRIMARY CALCULATION vs. CM SECONDARY CALCULATION - U.S./MICHIGAN

<u>FY 2016</u>	<u>CM Primary Calculation</u>	<u>CM Secondary Calculation</u>	<u>Difference</u>
DRIC Revenue	\$63.1	\$70.4	(\$7.3)
Operating Expenses	(15.2)	(2.8)	(12.4)
Capital Expenditures	-	-	-
Principal & Interest	(306.6)	(306.6)	0.0
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
U.S. and/or Michigan Debt Service Allocation %	31%	31%	31%
Estimated DRIC Net Cash Flow Loss to U.S. and/or Michigan	(\$70.7)	(\$60.9)	(\$9.8)
Lost Profits of Government Owned Crossings	(21.3)	(23.2)	1.9
Estimated Operating Expense Reduction	5.3	5.8	(0.5)
Estimated Net Profits (cash flow)	(16.0)	(17.4)	1.4
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
Estimated Loss Profits (cash flow) to U.S. and/or Michigan	(\$8.0)	(\$8.7)	\$0.7
Lost Profits of Ambassador Bridge	(41.2)	(46.3)	5.1
Estimated Operating Expense Reduction	10.3	11.6	(1.3)
Lost Profit (Cash Flow) of Ambassador Bridge	(30.9)	(34.7)	3.8
U.S. and/or Michigan Operating Allocation %	50%	50%	50%
U.S. and/or Michigan Lost Profit of Ambassador Bridge	(15.5)	(17.4)	1.9
Tax Rates	40%	40%	40%
Estimated Lost Income Tax (cash flow) - U.S. and/or Michigan	(\$6.2)	(\$6.9)	\$0.8
Estimated Total Net Cash Flow Loss to U.S. and/or Michigan	(\$84.9)	(\$76.5)	(\$8.4)
	(In Millions)		

EXHIBIT 5: ESTIMATED TOTAL NET CASH FLOW LOSS TO CANADA

<u>Primary Calculation</u>	<u>FY 2016</u>	<u>FY 2035</u>	<u>FY 2016 - 2035</u>
DRIC Revenue			
Revenue From Ambassador	\$41.2	\$97.1	\$1,306.2
Revenue From Blue Water Bridge	15.7	32.9	470.5
Revenue From Detroit-Windsor Tunnel	5.6	0.3	70.1
Blue Water Toll Variance Adjustment	0.6	1.7	21.8
Estimated Total Revenue	\$63.1	\$132.2	\$1,868.6
Operating Cost (With Inflation)	(15.2)	(23.0)	(376.8)
Capital Expenditures	-	-	-
Debt Service - Principal & Interest	(306.6)	(306.6)	(6,131.5)
Total DRIC Net Cash Flow Loss	(258.7)	(197.4)	(4,639.7)
Canada Operating Allocation %	50%	50%	50%
Canada Debt Service Allocation %	69%	69%	69%
Interest Income	44.0	19.1	686.2
Estimated DRIC Net Cash Flow Loss to Canada	(\$144.0)	(\$138.3)	(\$2,806.3)
Lost Profits of Government Owned Crossings	(16.0)	(25.0)	(405.4)
Canada Operating Allocation %	50%	50%	50%
Estimated Lost Profits (cash flow) of Government Owned Crossings to Canada	(\$8.0)	(\$12.5)	(\$202.7)
Lost Profits of Ambassador Bridge	(30.9)	(72.9)	(979.6)
Canada Operating Allocation %	50%	50%	50%
Canada Lost Profit of Ambassador Bridge	(15.5)	(36.4)	(489.8)
Tax Rate	40%	40%	40%
Estimated Lost Income Tax (cash flow) - Canada	(\$6.2)	(\$14.6)	(\$195.9)
Estimated Total Net Cash Flow Loss to Canada	(\$158.1)	(\$165.3)	(\$3,204.9)

(In Millions)

EXHIBIT 6: ESTIMATED TOTAL NET CASH FLOW LOSS TO CANADA

<u>Secondary Calculation</u>	<u>FY 2016</u>	<u>FY 2035</u>	<u>FY 2016 - 2035</u>
DRIC REVENUE			
Revenue From Ambassador	\$46.3	\$128.2	\$1,705.3
Revenue From Blue Water Bridge	16.6	45.6	609.3
Revenue From Detroit-Windsor Tunnel	6.6	19.7	250.4
DRIC Revenue Other (Motorcycle, etc.)	0.5	1.4	18.6
Blue Water Toll Variance Adjustment	0.4	1.2	14.4
Estimated TOTAL REVENUE	\$70.4	\$196.1	\$2,597.9
Operating Cost (With Inflation)	(2.8)	(2.8)	(55.9)
Capital Expenditures	-	-	-
Debt Service - Principal & Interest	(306.6)	(306.6)	(6,131.5)
Total DRIC Net Cash Flow Loss	(239.0)	(113.3)	(3,589.4)
Canada Operating Allocation %	50%	50%	50%
Canada Debt Service Allocation %	69%	69%	69%
Interest Income	44.0	19.1	686.2
Estimated DRIC Net Cash Flow Loss to Canada	(\$134.1)	(\$96.2)	(\$2,281.1)
Lost Profits of Government Owned Crossings	(17.4)	(49.0)	(644.8)
Canada Operating Allocation %	50%	50%	50%
Estimated Lost Profits (cash flow) of Government Owned Crossings to Canada	(\$8.7)	(\$24.5)	(\$322.4)
Lost Profits of Ambassador Bridge	(34.7)	(96.2)	(1,279.0)
Canada Operating Allocation %	50.0%	50.0%	50.0%
Canada Lost Profit of Ambassador Bridge	(17.4)	(48.1)	(639.5)
Tax Rate	40%	40%	40%
Estimated Lost Income Tax (cash flow) - Canada	(\$6.9)	(\$19.2)	(\$255.8)
Estimated Total Net Cash Flow Loss to Canada	(\$149.8)	(\$139.9)	(\$2,859.3)
		(In Millions)	

EXHIBIT 7: CM PRIMARY CALCULATION vs. CM SECONDARY CALCULATION - CANADA			
FY 2016	CM Primary Calculation	CM Secondary Calculation	Difference
DRIC Revenue	\$63.1	\$70.4	(\$7.3)
Operating Expenses	(15.2)	(2.8)	(12.4)
Capital Expenditures	0.0	0.0	0.0
Principal & Interest	(306.6)	(306.6)	0.0
Interest Income	44.0	0.0	
Canada Operating Allocation %	50%	50%	50%
Canada Debt Service Allocation %	69%	69%	69%
Total DRIC Net Cash Flow Loss	(\$144.0)	(\$134.1)	(\$9.8)
Total Lost Profits - Blue Water Bridge	(21.3)	(23.2)	1.9
Estimated Operating Expense Reduction	5.3	5.8	(0.5)
Estimated Net Profits (cash flow)	(16.0)	(17.4)	1.4
Canada Operating Allocation %	50%	50%	0%
Loss Profits (cash flow) to Canada	(\$8.0)	(\$8.7)	\$0.7
Total Lost Revenue - Ambassador Bridge	(41.2)	(46.3)	5.1
Estimated Operating Expense Reduction	10.3	11.6	(1.3)
Lost Profit (Cash Flow) of Ambassador Bridge	(30.9)	(34.7)	3.8
Canada Operating Allocation %	50%	50%	50%
Canada Lost Profit of Ambassador Bridge	(15.5)	(17.4)	1.9
Tax Rate	40%	40%	40%
Lost Taxes (cash flow) to Canada	(\$6.2)	(\$6.9)	\$0.8
Estimated Total Net Cash Flow Loss to Canada	(\$158.1)	(\$149.8)	(\$8.4)

(In Millions)

Exhibit 8: The New International Trade Crossing Project Overview

	I-75 I/Change	Toll U.S. Customs Plaza	Bridge	Canadian Toll Plaza	Windsor Essex Parkway	Total	Annual Principal & Interest
Total	\$385.9	\$150.0	\$949.1	\$387.6	\$1,400.0	\$3,272.6	\$306.6
U.S. and/or Michigan	385.9	150.0	474.6	-	-	1,010.5	94.7
Canada	-	-	474.6	387.6	1,400.0	2,262.2	211.9
U.S. and/or Michigan %	100.0%	100.0%	50.0%	-	-	30.9%	30.9%
Canada %	-	-	50.0%	100.0%	100.0%	69.1%	69.1%

(In Millions)

Notes:

The U.S. Customs Plaza cost of \$150.0 million excludes the GSA cost of \$263.6.

Above build cost and allocation utilized in Primary and Secondary Calculation.

Source:

The New International Trade Crossing Project Overview.

**EXHIBIT 9: ESTIMATED Total Net Cash Flow Loss
 (FY 2016 - 2035)**

<u>Primary Calculation</u>	<u>U.S./Michigan</u>	<u>Canada</u>	<u>Total</u>
DRIC Revenue			
Revenue From Ambassador	\$653.1	\$653.1	\$1,306.2
Revenue From Blue Water Bridge	235.2	235.2	470.5
Revenue From Detroit-Windsor Tunnel	35.1	35.1	70.1
Blue Water Toll Variance Adjustment	10.9	10.9	21.8
Estimated Total Revenue	\$934.3	\$934.3	\$1,868.6
Operating Cost (With Inflation)	(188.4)	(188.4)	(376.8)
Capital Expenditures	-	-	-
Debt Service - Principal & Interest	(1,893.2)	(4,238.3)	(6,131.5)
DRIC Net Cash Flow Loss	(1,147.3)	(3,492.4)	(4,639.7)
Interest Income	-	686.2	686.2
Estimated DRIC Net Cash Flow Loss	(\$1,147.3)	(\$2,806.3)	(\$3,953.5)
Lost Profits of Government Owned Crossings	(405.4)	(\$405.4)	(\$810.9)
Operating Allocation %	50%	50%	100%
Estimated Lost Profits (cash flow) of Government Owned Crossings	(\$202.7)	(\$202.7)	(\$405.4)
Lost Profits of Ambassador Bridge	(489.8)	(489.8)	(979.6)
Tax Rate	40%	40%	40%
Estimated Lost Income Tax (cash flow)	(\$195.9)	(\$195.9)	(\$391.8)
Estimated Total Net Cash Flow Loss	(\$1,545.9)	(\$3,204.9)	(\$4,750.8)

DETROIT RIVER INTERNATIONAL CROSSING PRESS CONFERENCE

April 29, 2011



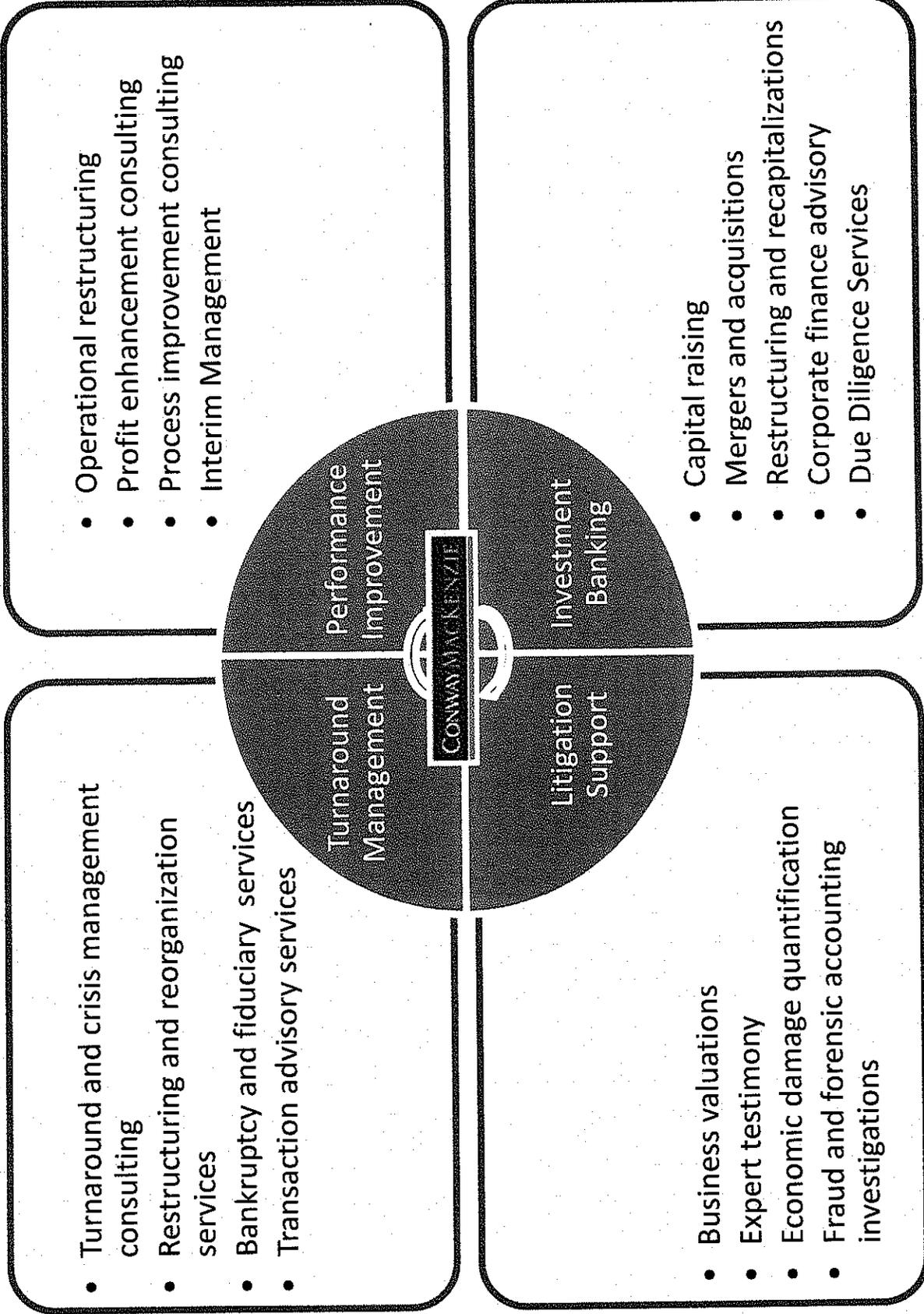
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Conway Mackenzie specializes in working with a variety of parties involved with companies of all sizes to help them overcome their most complex business challenges.

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- ▶ Restructuring, due diligence, interim management, litigation support, and capital advisory services
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- ▶ Approximately 70 professionals across eight domestic offices
- ▶ CPAs, former CFOs, CEOs, bankers, private equity managers

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- Aerospace
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- Environmental
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- Manufacturing
- Not for Profits
- Packaging and Distribution
- Process Industries
- Pulp and Paper
- Research and Development
- Real Estate
- Retail
- Technology, Telecom
- Transportation

Engagement Scope

- Conway Mackenzie, Inc. (CM) was engaged by the Detroit International Bridge Company ("DIBC") to perform an independent financial analysis that estimates the financial impact to the U.S. and/or Michigan as a result of building and operating the Detroit River International Crossing ("DRIC") based information available to all parties.
- We summarize certain significant opinions in this presentation. A more detailed report will be issued in the near future.
- CM was asked to perform this analysis because DIBC management believes claims made by proponents of building and operating the DRIC will not be subsidized by the U.S. and/or Michigan taxpayers are based on erroneous assumptions.
- Our engagement is ongoing and as such, our findings are subject to change as a result of further review, analysis and consideration of available and/or additional information.

DRIC ESTIMATED FINANCIAL IMPACT TO U.S. and/or MICHIGAN

FY 2016 FY 2035 FY 2016 - 2035

U.S. and/or MICHIGAN ALLOCATION OF NET CASH FLOW (LOSS)	(\$70.7)	(\$40.1)	(\$1,147.3)
LOST PROFITS OF GOVT OWNED CROSSINGS	(8.0)	(12.5)	(202.7)
LOST INCOME TAX - AMBASSADOR BRIDGE	(6.2)	(14.6)	(195.9)
TOTAL FINANCIAL IMPACT (LOSS)	(\$84.9)	(\$67.1)	(\$1,545.9)

(IN MILLIONS)

Notes

- The previous page represents the CM calculation of the approximate \$1.5 billion negative financial impact of the DRIC from 2016 through 2035.
- U.S. and/or Michigan cost of bridge obtained from Report to the Legislature of the State of Michigan Responding to Public Act 116 of 2009, Section 384 – May 1, 2010.
- Limited cost build-up of bridge was available for review, but not in enough detail to opine on reasonableness.
- Toll revenues based on current toll rates increased by estimated inflation.
- Market share for CM's primary calculation was based on Wilbur Smith Report.
- CM used the DIBC operating cost structure as basis for DRIC operating cost structure. We assessed the MDOT operating cost assumption (approx. \$2.7 MM annually) as not reasonable. Blue Water Bridge proforma operating costs were approx. \$15.6 million in 2009.

<u>(Amounts in millions)</u>	<u>Amount</u>
U.S./Michigan Cost of Bridge	
I-75 Interchange/Non-GSA Plaza	\$ 535.9
50% Cost of Bridge	474.6
	<u>\$ 1,010.5</u>
U.S./MI Annual Principal & Interest Payment,	
\$1,010.5, 25 years, 8% interest	94.7
Gross Revenue BEFORE Operating Expenses	31.6
U.S./Michigan	
Debt Service in EXCESS of Gross Revenue	<u>\$ 63.1</u>

Notes

- This summary calculation demonstrates that the projected revenue for the DRIC doesn't even cover the debt service.
- Summary calculation assumes an interest rate of 8%. CM does not believe the DRIC project would have an average interest rate of 8% (could be in excess of 20%) if the government did not provide certain guarantees.
- Even assuming no interest (for illustrative purposes only) on the capital of \$1,010.5 million and a straight line amortization over 25 years, annual debt service of \$40.4 million exceeds annual revenue of \$31.6 million in 2016.

The Conway MacKenzie calculations are CONSERVATIVE:

- Price competition between the DRIC and other crossings is not assumed in forecast. Potential price competition would increase the net cash flow loss for the DRIC.
- CM uses an 8% interest rate which would not be reasonable absent government support. Certain representatives of the governments have stated that DRIC project would not receive government support.
- CM assumed the \$264 million of GSA build costs and annual operating costs were going to be gifted/funded by the federal government. There is no evidence that this funding has been approved. The exclusion of these costs is the primary difference between previously reported financial impact calculations and amounts reported in this presentation.
- CM has not included any third party claims from pending litigation in the cost of the bridge.

Preliminary Opinions

- ❑ We estimate the negative financial impact attributable to the U.S. and/or Michigan due to the possible construction of the DRIC results in annual losses starting in 2016 of \$85 million and fluctuating annually through 2035. The total negative cumulative financial impact during this time period is approximately \$1.5 billion.
- ❑ For the DRIC to break-even in 2016, a 134% increase in the forecasted toll rate would be required. This would not be a competitive toll rate with forecasted DIBC toll rate.
- ❑ If only the \$550 million “Canadian Loan” had to be paid back, there would still be a negative financial impact of approximately \$15 million in 2016.

Other Points to Consider

- ❑ CM reviewed certain studies from independent sources which indicate that a majority of toll roads – almost 90 percent – failed to meet revenue expectations in the first full year and 75% missed expectation in year 3.
- ❑ 2010 vehicle crossings were approximately 43% less than 1999 vehicle crossings (peak year).
- ❑ According to Halcrow Group Limited traffic projections, forecasted vehicle crossings through 2035 do not exceed 1999 vehicle crossings.
- ❑ (Ford/GM/Chrysler) had 70% of the North American market share in 1999 and 45% in 2010. It seems unlikely that their market share would increase significantly over the foreseeable future.
- ❑ A 2003 study indicates that 9 out of 10 infrastructure projects incur cost overruns of approximately 28% higher than forecast. The Zilwaukee Bridge exceeded its original cost estimate by 57%.
- ❑ Many private companies who expressed an interest in the DRIC project require government support/ guarantees to ensure no losses.

Other Points to Consider, continued

- Using assumptions from the Wilbur Smith Report and MDOT estimated bridge costs, CM performed a secondary calculation that resulted in a total negative financial impact of the DRIC of approximately \$1.2 billion for the same period.
- A complete Business Plan, inclusive of financial projections, has not been disclosed publicly for the DRIC Project.
- Limited information has been disclosed publicly regarding the details of the DRIC Bridge costs:
 - Material & labor
 - Contingency costs
 - Land acquisition
 - Possible third party claims
 - All other

Other Points to Consider, continued

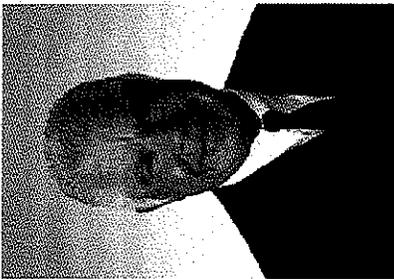
- Financing has not been obtained or formally approved by the government or any private entity for any costs of the DRIC bridge.
- No comprehensive analysis has been disclosed on the total economic benefit of the DRIC.
- It does not appear the DRIC project has received the necessary government approvals in the U.S. or Canada.

Comparison

DIBC (Ambassador Bridge)	DRIC
Financially viable every year	Not financially viable
30 plus years of management experience	No operational track record
80 plus years of existence	Unidentified operator
Federal Highway Administration: "Most efficient international crossing"	Potential significant cost overruns
	Unidentified source to finance project
	Unknown project completion date
	Inherent start-up risks

Takeaways

- The DRIC Bridge Project is not financially viable and will negatively impact the U.S. and/or Michigan by approximately \$1.5 billion between 2016 - 2035.
- No savvy private investor would build and operate the DRIC bridge without a government back-stop.
- Debt service/cost of capital significantly exceeds revenue projections.
- High risks/Unknowns in a Start Up Enterprise
 - Costs to Build Bridge
 - Traffic volumes
 - No complete Business Study/Plan on DRIC



Van Conway is nationally recognized in the fields of insolvency/ bankruptcy; financing, reorganization and management of troubled companies; mergers and acquisitions; debt restructuring; and litigation support. Mr. Conway has provided advisory services to under-performing businesses and related parties for nearly thirty years and is a Certified Turnaround Professional, Certified Insolvency and Restructuring Advisor and Certified in Distressed Business Valuation. He has been engaged as a turnaround consultant and financial advisor to clients in various industries, including: automotive, manufacturing, steel, service, transportation, distribution and contracting. As a financial advisor, he has worked closely with debtors, lenders and creditor committees in out-of-court or Chapter 11 restructurings and has provided consulting services in turnaround, profit enhancement and cost reduction strategies.

In the area of litigation support services, Mr. Conway is uniquely qualified to provide expert testimony on lost profits, economic damages, business valuation and related matters. As a Certified Public Accountant and Certified Fraud Examiner he also offers assistance with fraud related issues, including detection, investigation and quantification.

As one of the founders of Conway MacKenzie, Mr. Conway has been with the firm since its inception in 1987. Previously, he was a Partner at Deloitte & Touche where he specialized in insolvency, litigation, and mergers and acquisitions.

Mr. Conway is a member of the Turnaround Management Association as well as numerous other professional organizations. He is a Certified Valuation Analyst and is Accredited in Business Valuation and Certified in Financial Forensics by the American Institute of Certified Public Accountants. He has a Bachelor of Science in Business Administration from John Carroll University and a Master of Business Administration from the University of Detroit. Additionally, he has served on several corporate Boards of Directors and frequently writes and speaks on the topics of managing troubled companies and litigation support.

SUMMARY OF QUALIFICATIONS

CONWAY MACKENZIE

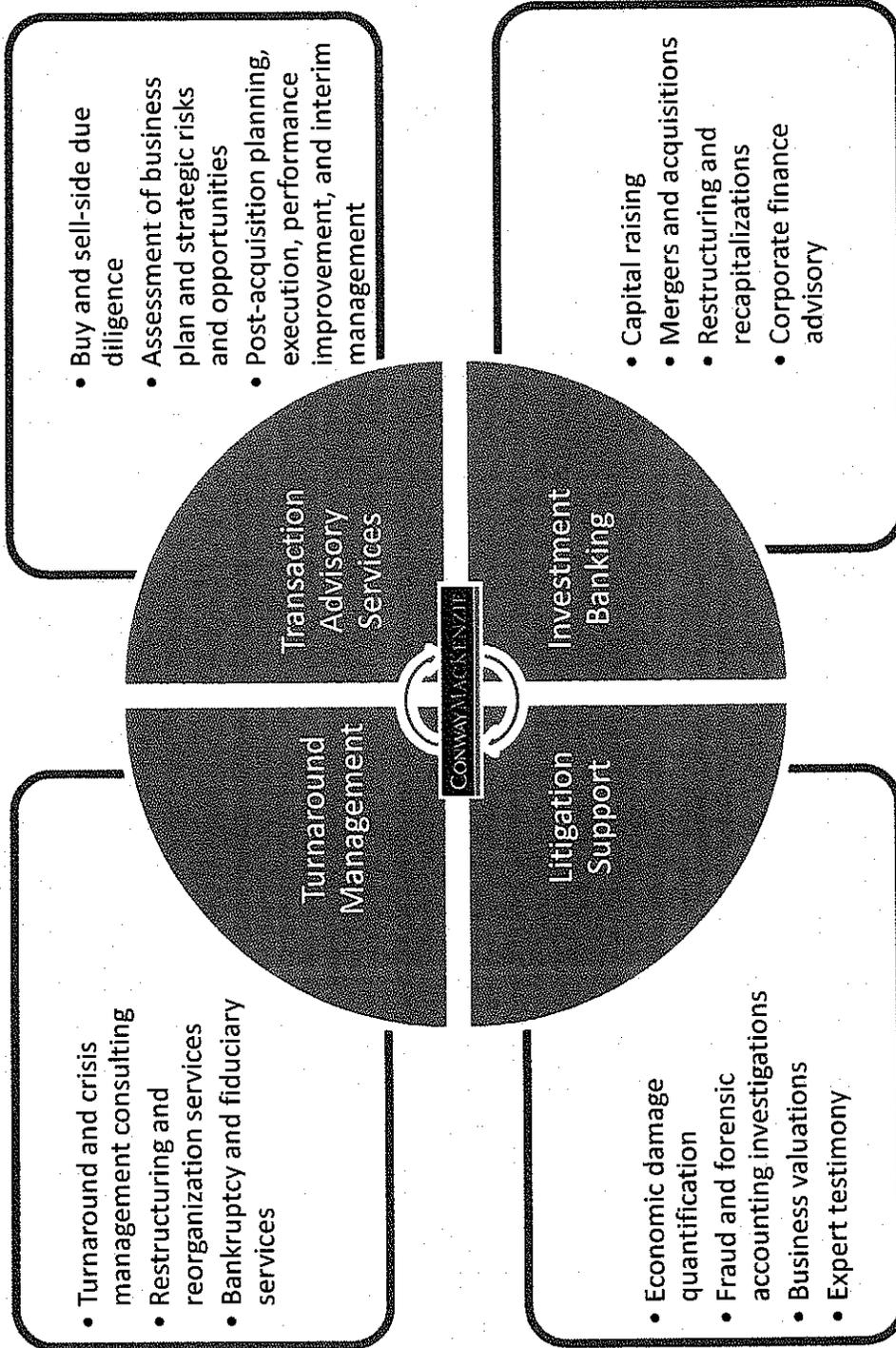
ATLANTA | CHICAGO | DALLAS | DAYTON | DETROIT | FRANKFURT | HOUSTON | LONDON | LOS ANGELES | NEW YORK

Conway MacKenzie specializes in working with middle market companies to help them overcome their most complex business challenges.

Proven Approach: Conway MacKenzie has earned the trust of constituents that are involved in crisis and turnaround situations. Our reputation for integrity, objectivity, diligence and candor adds confidence to the debtors, creditors, customers, suppliers and other interested parties.

Seasoned Professionals: With more than two dozen senior managing directors and managing directors, Conway MacKenzie delivers a hands-on, detailed oriented team that is tailored to meet the specific financial, operational, litigation support and/or capital advisory needs of the situation.

Global Presence: Conway MacKenzie has eight United States offices and an international partnership that provides representation in London and Frankfurt allowing Conway MacKenzie to efficiently service companies with operations in multiple locations.



Middle market turnaround and restructuring consulting firm

- ▶ Restructuring, due diligence, interim management, litigation support, and capital advisory services
- ▶ Advise debtors, creditors, and other stakeholders
- ▶ Regularly assume the role of Chief Restructuring Officer, financial advisor, investment banker, and interim management

Staffing model based on small, senior based teams

- ▶ Approximately 70 professionals across eight domestic offices
- ▶ CPAs, former CFOs, CEOs, bankers, private equity managers

Aerospace
Agribusiness
Automotive
Consumer Products
Contracting
Energy
Entertainment
Environmental
Financial & Professional Services
Food Services & Restaurants
Healthcare
Heavy Industry, Steel
Manufacturing
Packaging and Distribution
Process Industries
Pulp and Paper
Research and Development
Real Estate
Retail
Technology, Telecom
Transportation

TURNAROUND MANAGEMENT CONSULTING

CONWAY MACKENZIE

► **Turnaround Management Consulting** – Providing immediate and effective hands-on financial, operational and strategic assistance to the senior management of companies experiencing adverse conditions. We guide our clients through crises whether out-of-court or in bankruptcy. Certified Turnaround Professionals:

- Preserve capital
- Create value
- Re-establish credibility and communication between the company and its constituencies
- Develop and implement a plan to improve cash flow and restore earnings

► **Restructuring and Reorganization** – Once a turnaround strategy has been developed and implemented, our firm can assist with the restructuring of the company's balance sheet, either out of court or in bankruptcy.

- Development of proposed capital structures that are in line with the company's and its constituents' goals and consistent with projected cash flow
- Establishing valuation criteria and ranges for capital structures with various forms of capital
- Preparation of ratio analysis for proposed capital structures
- Preparation of confidential offering materials, as necessary, to attract new capital
- Structuring and negotiating transactions with capital sources
- Coordinating due diligence and other activities related to finalizing a transaction

- ▶ **Bankruptcy/Fiduciary Services** – Providing reorganization services, including financial consulting and accounting to the debtor, unsecured creditors' committee, trustee or secured creditor:
 - Analysis of financial health of debtor
 - Development or review of plan of reorganization
 - Determination of assets and business valuation
 - Act as Chapter 11 operating trustee
 - Assist Chapter 7 trustees with asset liquidations and fraudulent conveyance recovery actions
 - Conduct asset sales under § 363 of the United States Bankruptcy Code



GREENTOWN
A Greentown Group

Conway MacKenzie provided restructuring, turnaround management and financial advisory services to the Company during its Chapter 11 case.



Pendum

Conway MacKenzie provided financial advisory services to the Company.



DAVCO RESTAURANTS, INC.
A Davco Group

Conway MacKenzie provided financial advisory services to the Company.



cynergydata

Conway MacKenzie provided interim management financial advisory services to the Company.



THE FINGER FURNITURE
A Houston Tradition Since 1927

Conway MacKenzie acted as Board Director and CRO and provided turnaround management services to the Company.



T.R. HUGHES, INC.
A BUILDING COMPANY

Conway MacKenzie provided financial advisory services to the Company.



Plastech

Conway MacKenzie provided financial & operational advisory services to the Company.



IPM
Progressive Molded Products

Conway MacKenzie provided financial advisory services to the Company.

TRANSACTION ADVISORY SERVICES

CONWAY/MACKENZIE

- ▶ Conway MacKenzie's Transaction Advisory practice provides a comprehensive approach to maximizing value for our clients in the transaction process. Our approach combines financial, operational and strategic expertise in evaluating the overall strengths and weaknesses of a company and in developing value-enhancing solutions to our clients. We work closely with other professionals to ensure a seamless integration of the transaction team, including legal, tax, employee benefits and information technology specialists.

- ▶ Conway MacKenzie's Transaction Advisory Expertise Serves:
 - Equity sponsors in assessing potential acquisitions, investments or divestitures
 - Corporate entities looking to make strategic acquisitions, investments, joint ventures or divestitures
 - Lenders interested in extending additional credit, converting debt-to-equity or participating in rights offerings. Our consultants provide clients with an overall objective review of commercial and operating activities and cost structures to optimize their competitive advantage. By identifying opportunities for improvement, we help companies improve profit and cash flow and ultimately grow shareholder value.

- ▶ The Conway Mackenzie team consists of professionals with varying backgrounds, including: owner/operators of businesses, CEOs, COOs, CFOs, CPAs, private equity investors and individuals with commercial banking, purchasing and engineering backgrounds that bring unique expertise to each transaction.
- ▶ The benefits of our approach, expertise and team to your transaction needs are:
 - ❑ Our experience obtained from managing and restructuring companies in distressed situations helps us identify the issues common to failed businesses. We apply the lessons learned to each transaction
 - ❑ Our cross-functional analysis is tailored for each transaction - we identify the value drivers of the business today and into the future
 - ❑ Our financial management and operating backgrounds assists us not only in identifying transaction, performance, integration, carve-out and other issues; but also in developing and executing plans to address each of the issues
 - ❑ Our ability and experience to be involved in all aspects of the transaction, from origination to execution to ultimate realization, allows us to forge true partnerships with our clients based upon maximizing transaction value

► **Buy-Side Services** – Our buy-side due diligence services have been tailored to maximize the value of each transaction for our clients through an integrated team of financial, operational and strategic experts focusing on the following key areas:

- Quality of revenues, EBITDA and cash flows
- Assessment of business plan opportunities and risks
- Strategic assessment of the business
- Working capital and near-term liquidity requirements
- Analysis of other balance-sheet items, including off-balance sheet and contingent liabilities
- Capital expenditure needs
- Detail profitability and cash driver analysis
- Contract review and negotiations

► **Sell-Side Services** – Our sell-side services have been tailored to include the analysis a typical buyer would perform to identify the issues up-front and develop value-enhancing solutions to address them in the deal process. We support management in the following areas:

- Sell-side diligence similar to services a typical buyer would perform
- Management presentations
- Coordination with other advisors
- Deal negotiations
- Post-closing, purchase price adjustment mechanisms
- Carve-out assistance

► **Post-Acquisition Advisory Services** – We have capabilities that extend beyond completing a transaction. We ensure that the returns and value anticipated from the transaction are preserved post-acquisition through the following service offerings:

- Post-closing purchase price adjustment mechanisms
- Interim management through periods of transition
- Post-acquisition integration and restructuring
- Carve-out execution and the development of stand-alone infrastructure
- Implementation and management of transition services agreements
- Performance and strategy improvement and execution
- Supply chain process improvement and execution
- Purchasing process improvement and execution

DELPHI

Conway MacKenzie acted as financial advisor to Elliott Associates, L.P. in regards to the recapitalization by Delphi Holdings LLP of substantially all of Delphi Corporation's global core businesses as part of the consummation of the Delphi Corporation Modified Plan of Reorganization.

TOWER
AUTOMOTIVE

Conway MacKenzie provided financial and operational due diligence services for creditors contemplating additional investments in the Company.

Collins & Aikman

Conway MacKenzie provided operational due diligence services for a consortium of private equity funds contemplating investments in the Company.

MSD
IGNITION

Conway MacKenzie assisted the Company with the development of an investment thesis to restructure global sourcing and supply chain strategies.

Stall

Conway MacKenzie provided operational advisory services to the Company.

DURA
Automotive Systems

Conway MacKenzie provided financial and operational due diligence services for creditors considering providing a revised DIP loan to the Company.

barjan
llc

Conway MacKenzie assisted the Company with the development of an investment thesis to restructure global sourcing and supply chain strategies.

COOPER STANDARD™

Conway MacKenzie provided financial and operational due diligence services for an investor interested in the Company.

CONWAY MACKENZIE LITIGATION SUPPORT SERVICES

CONWAYMACKENZIE

- ▶ Conway MacKenzie's litigation support consultants are specialists in providing litigation support services in matters requiring business valuation, fraud investigation, financial analysis, expert testimony and economic damage quantification.
- ▶ Our litigation support consultants are among the most credentialed in the business and include Certified Public Accountants, Accredited in Business Valuation, Certified Valuation Analysts, Certified Fraud Examiners and Certified in Financial Forensics.
- ▶ Our qualifications, commitment to rigorous analysis and thorough preparation have earned us a reputation for providing credible and effective expert testimony.
- ▶ Conway MacKenzie consultants have provided effective testimony in bankruptcy and commercial litigation, including business viability and Chapter 11 confirmation standards; accounting and auditing professional practice standards; valuation; bankruptcy recovery actions; solvency and insolvency; economic damages; causation and mitigation of damages; valuations in a variety of settings; and many others.
- ▶ We achieve results through Analysis, Investigation, Preparation and Testimony.

Fraud & Forensic Accounting Investigations

Conway MacKenzie's Certified Fraud Examiners utilize accounting, auditing and investigative skills when conducting an investigation. We are able to communicate financial information clearly and concisely in a legal setting. Our years of experience have created a team that can see through distractions and effectively evaluate all situations.

Our services in this area include:

- Quantification of financial and other business losses arising from fraud
- Reconstruction of financial transactions from incomplete or falsified records
- Evaluation of appropriateness of accounting transactions
- Identification of missing assets
- Investigation of employee fraud
- Analysis of fraud prevention systems
- Discovering financial schemes
- Tracing illicit transactions
- Analysis of fraudulent conveyance claims
- Money laundering
- Expert testimony

Quantification of Economic Damages

Conway Mackenzie has quantified lost profits and other economic damages in virtually all types of litigation including, but not limited to, the following:

- Securities violations
- Fraud
- Business interruption
- Shareholder disputes
- Business tort
- Patent infringement
- Personal injury
- Wrongful death
- Breach of contract
- Employment disputes
- Lender liability
- Antitrust
- Professional malpractice
- Condemnation

Business Valuations

Conway Mackenzie has performed business valuations and provided expert testimony related thereto, in a variety of settings, including the following:

- Securities
- Share value
- Fraudulent conveyance litigation
- Bankruptcy reorganization
- Contractual disputes
- Leveraged buyouts
- Shareholder suits
- Gift and estate tax resolution
- Lender liability claims
- Condemnation
- ESOP transactions
- Buy/sell agreements
- Intellectual property disputes
- Divorce
- Other commercial litigation

Performed forensic accounting analysis related to fraudulent actions by one party involved in a real estate partnership. Conway Mackenzie's analysis discovered and quantified the severity of the fraud.

Performed forensic accounting analysis related to the collapse of a Canadian insurance company, including the identification and quantification of fraud and the valuation of assets related to a pursuit of claims against various third parties.

Performed a damage assessment for the bankruptcy estate of a retailer related to a professional malpractice claim against a Big Four accounting firm. Conway Mackenzie's deposition testimony was instrumental in reaching a settlement.

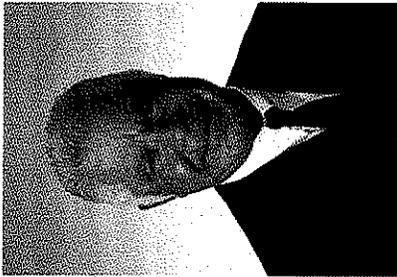
Provided litigation support and financial advisory services to a management company in connection with the preparation and presentation of fund performance information to investors in its risk-linked hedge funds.

Performed a comprehensive evaluation of an ordinary course of business defense for a tooling and die manufacturer in the automotive industry related to a preference action.

Assessed economic damages related to a breach of contract between an automotive original equipment manufacturer and an automotive supplier.

Performed forensic accounting analysis for an unsecured creditor's committee pursuing alleged fraudulent conveyances related to an LBO transaction for an automotive supplier.

Assessed economic damages related to a breach of contract not to sell similar products in a retail store as others in the same shopping center.



Van Conway is nationally recognized in the fields of insolvency/bankruptcy; financing, reorganization and management of troubled companies; mergers and acquisitions; debt restructuring; and litigation support. Mr. Conway has provided advisory services to underperforming businesses and related parties for nearly thirty years and is a Certified Turnaround Professional, Certified Insolvency and Restructuring Advisor and Certified in Distressed Business Valuation. He has been engaged as a turnaround consultant and financial advisor to clients in various industries, including: automotive, manufacturing, steel, service, transportation, distribution and contracting. As a financial advisor, he has worked closely with debtors, lenders and creditor committees in out-of-court or Chapter 11 restructurings and has provided consulting services in turnaround, profit enhancement and cost reduction strategies.

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POSITION: Chief Executive Officer & President, Conway Mackenzie, Inc.
401 South Old Woodward Avenue, Suite 340
Birmingham, Michigan 48009
(248) 433-3100

EDUCATION AND PROFESSIONAL AFFILIATIONS (PAST AND PRESENT):

John Carroll University, B.S.B.A.
University of Detroit, M.B.A.
Adjunct Faculty Member - Walsh College
American Arbitration Association Business Valuation Panel
American College of Bankruptcy - Fellow
American Society of Appraisers
American Bankruptcy Institute
American Institute of Certified Public Accountants (CPA, ABV and CFF Certified)
Association for Corporate Growth
Association of Certified Turnaround Professionals (Certified Turnaround Professional)
Association of Insolvency and Restructuring Advisors (Certified Insolvency and Restructuring Advisor/Certified in Distressed Business Valuation)
Commercial Law League of America
Conway & Charles CPA Exam Review
Michigan Bankers Association
Michigan Association of Certified Public Accountants
National Association of Bankruptcy Trustees
National Association of Certified Fraud Examiners (Certified Fraud Examiner)
National Association of Certified Valuation Analysts (Certified Valuation Analyst)
National Association of Credit Management
Oakland County Bar Foundation
Turnaround Management Association

CIVIC/SOCIAL/BUSINESS INTERESTS (PAST AND PRESENT):

Board of Trustees – Walsh College
Board of Trustees and Finance Committee – The William Beaumont Hospital
Board of Trustees - Center for Creative Studies
Board of Directors – Jervis B. Webb Company (Past)
Board of Directors - Noble International (Past)
Board of Directors - Onset BIDCO, Inc.
Board of Directors - Wayne County Youth Fund
Detroit Athletic Club
Detroit Chamber of Commerce
Detroit Investment Fund - Investment Committee
Detroit Medical Center – Temporary Oversight Committee
Economic Club of Detroit
Ernst & Young Entrepreneur of the Year (2004)
Michigan High School Academic/Athlete of the Year Committee

CIVIC/SOCIAL/BUSINESS INTERESTS (PAST AND PRESENT)-Continued:

Oakland County Pension Fund
Oakland Hills Country Club
Old Newsboys' Goodfellows
The Hundred Club

SPEAKER AT:

American Bankruptcy Institute
American Bar Association
Association for Corporate Growth
Association of Insolvency and Restructuring Advisors
Cooley Law School
Corporate Reorganizations Annual Conference
Federal Bar Association - Western District of Michigan
Financial Transactions Institute
Institutional Investor – Turnaround Management Conference
International Right of Way Association
Michigan Association of Certified Public Accountants
Michigan State Eli Broad Conference
National Employment Law Institute

EMPLOYMENT HISTORY:**1987 to Present -**

Partner of Conway MacKenzie, Inc. specializing in insolvency/bankruptcy matters, trustee/receivership engagements, turnaround and crisis management, profit enhancement, mergers and acquisitions, business valuations, raising of debt/equity capital, fraud investigations and litigation assistance including accounting/financial/economic expert testimony in a variety of areas.

1974 to 1987 -

CPA/Partner at Deloitte Haskins & Sells (one of the international accounting and consulting firms that is now called Deloitte & Touche).

AREAS OF PROFESSIONAL SPECIALIZATION:

- ▶ Valuation of assets and/or businesses for parties in dispute (contractual disagreements, divorce, bankruptcy, intellectual property, etc.) and other matters, such as merger and acquisition transactions, ESOP's, debt/equity capital transactions, etc.
- ▶ Quantification of economic damages and/or provided expert testimony in matters involving business fraud, employee wrongful termination, business interruption claims, divorce litigation, personal injury, CPA/auditor negligence, insurance claims, bankruptcy reorganization, etc.
- ▶ Lender liability cases which involve evaluation of the lender's decisions and procedures in the areas of lending policies, trust department policies, refinancing actions, liquidation decisions and have provided expert testimony on quantification of damages relative to business valuations and lost profits.
- ▶ Turnaround management which includes analyzing operations, marketing, management, manufacturing and financial history of a business and development of an overall plan for turnaround, sale or liquidation. Have represented either the debtor/company or interested parties such as banks, venture capitalists, equity participants, etc. (concentrated in a variety of industries including manufacturing, transportation, service, distribution, health care, hospitality including restaurants, hotels and golf courses, etc.).
- ▶ As Partner-in-Charge of the Emerging Business Services Department (35 professionals) of the Detroit office of Deloitte Haskins & Sells, one of our primary areas of expertise in serving clients was raising debt or equity capital for growth oriented companies. Represented clients in acquiring, negotiating and structuring fixed asset financing, working capital financing and real estate financing including lease negotiations. In addition, we prepared or evaluated business plans and financial projections for growth oriented companies seeking outside financing.
- ▶ Preparation of financial projections for turnaround transactions, liquidation transactions, valuations, economic loss disputes, merger and acquisition transactions, joint venture agreements, debt and equity financing packages, etc.