

Note • Off-Cycle Measure

Reducing tolls on the Confederation Bridge and fares for the Wood Islands-Caribou Ferry

Legislative
Costing
Note



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Effective August 1, 2025, the Government of Canada reduced tolls on the Confederation Bridge and fares for federally supported ferry services in Eastern Canada. The measure lowers Confederation Bridge tolls from \$50.25 to \$20.00, eliminates charges for additional axles, and cuts all fares for the Wood Islands–Caribou Ferry by 50 per cent.

PBO estimates that the measure will increase the Government's transfer payments by \$206 million over 2025-26 to 2029-30.

5-Year Cost

\$ millions

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost	24	44	45	46	47	206

Notes

- Estimates are presented on an accrual basis as would appear in the budget and Public Accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

The incremental cost of the measure is defined as the revenue shortfall from the toll and fare (price) reduction. Historical traffic was calculated using data provided by Transport Canada. Historical prices were obtained from the public websites and their values between 2025-2029 were adjusted to reflect the announced reductions. When applicable, future traffic was projected using its average growth rate between 2015 and 2024, and prices were indexed to inflation using PBO's CPI projection. For 2025 to 2029, total costs were calculated as the difference between the former and new prices, multiplied by the number of bridge crossings or ferry-fared vehicles, adjusted for passenger or vehicle type and including fuel surcharges where applicable.

Sources of Uncertainty

The main source of uncertainty relates to traffic projections. A behavioural response was not incorporated. The cost of the measure may be underestimated if the announced price reductions lead to increased transportation demand that results in materially higher foregone revenues.

Note prepared by

Régine Cléophat, Analyst

Prepared under the direction of

Louis Perrault, Director

Data Sources

Wood Islands Ferry Service data – Total revenues, Fare revenues, Vehicle passengers count, Commercial vehicles count, and Wood Islands Ferry Service total traffic
Transport Canada from Information Request IR0857

Bridge Operating Agreement data – Confederation Bridge toll revenues by vehicle and passenger type
Transport Canada from Information Request EPC2025-013

Wood Islands Ferry Fares
[Northumberland Ferries Fare](#)

Confederation Bridge Tolls
[Confederation Bridge – Tolls and Fees](#)